Daily Report

Latin America

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FBIS-LAT-94-017 *26 January 1994*

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Cuba

Castro Attends Solidarity Meeting Opening

FL2501154394 Havana Radio Reloj Network in Spanish 1502 GMT 25 Jan 94

[Text] The Fourth Latin American and Caribbean Meeting for Solidarity, Sovereignty, Self-Determination, and the Lives of our People has just been inaugurated at the Palace of Conventions in Havana. Commander in Chief Fidel Castro is present at the event which is also being attended by more than 1,000 representatives of the social and people's movements of all the countries of the continent and the Antilles. The participants at the event will discuss possible alternatives to the structural crisis confronted by the region.

High-Ranking Officials Attend

FL2601002594 Havana Radio Reloj Network in Spanish 2032 GMT 25 Jan 94

[Text] The Fourth Latin American and Caribbean Meeting for Solidarity, Sovereignty, Self Determination and the Lives of our Peoples opened today with a call for unity among the continent's progressive forces, in view of the current neoliberal, hegemonic policy.

The opening was attended not only by Commander in Chief Fidel Castro, but by leaders of the continental coordinating committee; [Communist Party of Cuba] Politburo members Jose Ramon Balaguer, Pedro Ross, and Abel Prieto; and other leaders from Cuban mass and political institutions.

Over 1,100 delegates from all over the region are attending this meeting, including, for the first time, the Caribbean, Central America, the United States, and Canada.

As a sign of solidarity and support for this forum of the social and people's organizations of our America, greetings from various prominent regional figures and from regional workers and peasants movements were received at the plenary session.

Solidarity With Cuba: the Great American Task [source's subhead] We love Cuba because it is the star of dignity, the star that lights the way for the men of America; and that is why we are calling for continental unity and organization to support it and to hold imperialism in check. With those words, an Ecuadoran representative to this fourth Camilo Restrepo meeting [name of meeting as heard] opened today's forum session at the Convention Center. The forum ends next Friday, 28 January.

For his part, Brazilian senator Amir Lando called for unity, with a view to promoting a new international order, the basic premise of which would be solidarity among men, or else, Lando pointed out, the human race will watch itself become extinct.

For Cuba, Jose Ramon Balaguer reported at this meeting on the Cuban people's ability to come out ahead, and stressed that an important sociopolitical process is in gestation in Latin America today.

Ross, Campa, Rodriguez Attend Finlay Workers Meeting

FL2501132394 Havana Radio Rebelde Network in Spanish 1000 GMT 25 Jan 94

[Text] Politburo members Pedro Ross Leal, secretary general of the Cuban Workers Federation, and Concepcion Campa, president of the Carlos J. Finlay Vaccines and Serums Institute, attended the Finlay assembly—part of the Parliament in the Workplace process—where workers discussed the revitalization of the economy and domestic finances. Finance Minister Jose Luis Rodriguez stated in his address that research is not a state expense but an investment for development. In the meeting, the workers called for implementing measures least affecting people while most benefiting the economy.

In his closing address, Jose Miyar Barruecos, Central Committee member and secretary of the Council of State, stated that centers such as the Finlay are obliged to become essential pillars of the Cuban economy.

ANPP Member Invited To Attend Protest Rally in U.S.

FL2501151094 Havana Radio Rebelde Network in Spanish 1255 GMT 25 Jan 94

[Telephone interview with the Reverend Raul Suarez, deputy of the National Assembly of the People's Government, by Luis Naranjo from Las Tunas—live]

[Excerpt] [Naranjo] Good morning, Reverend.

[Suarez] Good morning, how are you?

[Naranjo] Well, I woke you up early once again. We were unable to make the connection on Sunday [22 January], but here we are now. I want to convey greetings on behalf of the people from Las Tunas and from Cuba as a whole, who remember you with great gratitude.

Reverend, we understand that you and singer-composer Silvio Rodriguez have been invited to participate in a day of protest against the blockade in the United States. Can you tell us something about this invitation?

[Suarez] This invitation was extended by Teresa Gutierrez and former U.S. Attorney General Ramsey Clark, who have planned this activity, first, to convey once again the international opinion against the U.S. blockade against Cuba; and second, to a certain extent, to stage a demonstration of support to the bill that Charles Rangel, representative from Harlem in New York, will submit within the next few days, between 10 and 12 February. He proposes free communications with Cuba, which would represent a blow to the Torricelli law, a law we

have endured for so many years. The invitation is for me, together with Rev. Lucius Walker, Ramsey Clark, Teresa Gutierrez, and Bishop Gumbleton, to speak on the occasion. They want me to speak at this event. Silvio will support the cultural part of the event in addition to other activities they have planned. The invitation also includes....

[Naranjo, interrupting] I would like to ask another brief question. Have there been any difficulties concerning the issuance of visas to enter the United States?

[Suarez] Both Silvio and I have requested visas from the U.S. Interests Section in Havana. At first, they said there would be no problems; but then they told me that my application would be sent to the State Department in Washington and that I should have an answer in three and four weeks. So, I am waiting for an answer. [passage omitted]

Argentine Official on Drug Prevention Accord

FL2501151194 Havana Radio Rebelde Network in Spanish 0000 GMT 25 Jan 94

[Text] Eduardo Luis Gonzalez, director of international affairs of the Secretariat for Drug Addiction Prevention of the Argentine Presidency, is in Cuba to discuss with members of the Cuban Committee Against Drug Trafficking the signing of an accord for the fight against drugs. This accord may be finalized within two months.

[Begin Gonzalez recording] I believe that it will be completed before the year is over. We expect to complete this accord in a couple of months. We are aware that Cuba does not have a drug problem on the scale of Argentina's but we believe it will be useful since the world is growing smaller; international tourism brings both advantages and disadvantages. The accord is a contribution we will like to fulfill. [end recording]

Cuba has signed similar agreements with 21 countries and the accord with the Argentine Presidency Secretariat for Drug Addiction Prevention and Fight Against Drug Trafficking is another effort of the Cuban Government to join international programs against drugs.

Havana Notes Kozyrev Emphasis on Russian-PRC Relations

FL2501160394 Havana Radio Reloj Network in Spanish 1504 GMT 25 Jan 94

[Text] On the eve of his visit to China, Russian Minister of Foreign Affairs Andrey Kozyrev has said that normalization of relations with China is among the main priorities of Russian foreign policy.

PRENSA LATINA cited Kozyrev as stating that the development of bilateral relations with Beijing is based on the two countries' interests and that it strengthens the efforts in the quest of international stability.

Kosyrev said: Ties between Moscow and Beijing must be based on the principles of friendship and cooperation between two world powers. According to ITAR-TASS, Kozyrev is making a working visit to the Kyrgyz capital before leaving for China.

Chilean Communists Support Diplomatic Relations

FL2501201894 Havana Radio Rebelde Network in Spanish 1800 GMT 25 Jan 94

[Text] The Communist Party of Chile [PPCh] has asked President Patricio Aylwin to normalize diplomatic relations with Cuba before concluding his term in office on 11 March. The PPCh directorate, headed by its President Volodia Teitelboim, Secretary General Gladys Marin, and Political Commission members Jorge Insunza and (Juan Andres Dago), met with the Chilean president for approximately 45 minutes. The PPCh, the Socialist Party of Chile directorate, and Party for Democracy leader Victor Manuel Rebolledo in the past few days have expressed support for resumption of diplomatic ties between Chile and Cuba.

Roundup: Criminal, Judicial Action 18 to 25 Jan

FL2501152894

[Editorial Report] The following is a compilation of fileworthy reports on criminal activity and related judicial actions in Cuba carried on Havana radio and television in Spanish between 18 and 25 January.

Havana Cuba Vision at 0100 GMT on 18 January reports that in what police are calling the "Caramel Case," two managers at Coppelia Ice Cream Palace forced workers to reduce the amount of the servings and were pilfering one of every two or three vats of ice cream, which they sold on the black market for 300 pesos. Workers who protested were fired. This pilfering resulted in the center having to close early and serving only half its usual 12,000 customers a day. Steps have been taken to remedy the situation, the result of highly deficient organization.

Tele Rebelde and Cuba Vision Networks in Spanish at 0100 GMT on 22 January report that the National Revolutionary Police have arrested seven people in Marianao, Havana, for illegal acquisition of imported goods, i.e., 60,000 bars of soap obtained through impersonation of representatives of two bogus foreign enterprises. The soap was sold on the black market but an official who refused a 100,000-peso bribe alerted authorities. Marianao's Unified Vigilance and Protection System also deserves praise for its role in the arrests. Reporter Jorge Roco stresses that personal irresponsibility and faulty sale procedures caused Cuba to lose money instead of profiting, besides exacerbating the excess currency situation.

Radio Progreso at 1200 GMT on 24 January reports that nine 100- pound barrels of margarine oil were stolen from the Siboney candy store in Playa Municipality by

former worker Jose Miguel Herrera Jimenez and Ricardo Manuel Ruiz Silva, a worker at the National Geology Institute. During the course of the robbery, Herrera murdered a night shift worker. An additional 17 people have been arrested for aiding and abetting the crime. The oil, officially worth a total of 300 pesos, was sold for 3,000 pesos a barrel.

Radio Rebelde at 0000 GMT on 25 January reports that a Havana court has tried two men for embezzlement at Bacuranao Pasteurizing Plant, which lost over 20,000 pesos. The accused, who have a prior criminal record, worked as port and distribution chiefs. The investigation revealed that one man received over 9,000 liters of milk to be sold in the black market. A police investigator stressed that it is very difficult to fight crime when those in charge of the people's resources have criminal records and work in distribution.

Roundup of Economic Developments Through 25 Jan

PA2501154894

[Editorial Report] The following is a compilation of reports on Cuban economic developments monitored through 25 January. Source is cited in parentheses following each item.

The Spanish airline Aviaco sold eight Fokker F27-600 airplanes to the Cubana de Aviacion airlines enterprise for $7.5 million. The agreement between Aviaco and Cubana de Aviacion includes $6 million for the eight aircraft and stocks of spare parts, and $1.5 million to train the crew and maintenance staff. (Madrid EFE in Spanish 1057 GMT 18 Jan 94)

Bermuda

Hollis Quits UBP Over Independence Issue

FL2501191694 Bridgetown CANA in English 19101 GMT 25 Jan 94

[Text] Hamilton, Bermuda, 25 Jan, CANA—A key member of the ruling United Bermuda Party [UBP] has quit the party, citing moves towards independence as his chief reason for stepping down.

Lawyer Wendell Hollis, a former senator who lost his bid for a House of Assembly seat in last October's general election, handed in his letter of resignation to the UBP caucus on Monday.

"I no longer consider myself a member of the UBP," he told reporters on Tuesday.

Hollis said the Bermuda Government's move towards independence was just one of several reasons for his resignation.

"I am not in support of the way in which independence has been handled by government," he said.

"I also wish to resume a sense of political independence so anything I say won't reflect on the UBP.

"I want to talk freely on any issue without fear of embarrassing the party.

"I value my personal independence and I used to be quite proud of the fact that I was not affiliated with any political party."

Hollis denied any resentment or disappointment at not being reappointed to the Senate (upper house) after his election loss, saying he did not expect to get back the seat.

The UBP caucus consists of members of Parliament and adopted and approved candidates.

Hollis was the government spokesman on the environment while in the Senate.

His resignation came days after delegated affairs Minister Ann Cartwright Decouto quit the cabinet - but not the party, expressly over moves towards independence.

And Management and Technology Minister Michael Winfield resigned his post last Tuesday to focus on his business affairs.

Haiti

Deputies Propose 48-Hour Deadline for PM Appointment

FL2501232594 Port-au-Prince Radio Metropole in French 1700 GMT 25 Jan 94

[Text] A group of legislators are proposing a decree that would grant President Aristide 48 hours in which to appoint a new prime minister. According to a document circulating behind the scenes in the parliament, a copy of which was sent to Radio Metropole, some deputies [word indistinct] propose the ratification of a decree advocating the implementation of Article 149 of the Constitution in the event that the president of the Republic does not appoint a new prime minister within 48 hours.

These deputies also indicate that this prime minister should be appointed in compliance with the spirit of Article 148 of the Constitution, an article that gives full power to the prime minister and his cabinet in case the president of the Republic is indisposed.

In a letter addressed to the president of the Chamber, these deputies from the southern region request an urgent vote on their proposal.

Private Sector Discusses Business, Industrial Shutdown

FL2501231594 Port-au-Prince Radio Metropole in French 1700 GMT 25 Jan 94

[Text] The private sector held a meeting today at Villa Creole. A representative of the employers' association indicated that after 15 February, the closing of businesses and industries will be inevitable due to the fuel shortage.

This employer said that the business and industrial shutdown is inevitable after 15 February because of the general depletion of fuel. Asking to remain anonymous, he was expressing his perspective during a meeting in a Port-au-Prince hotel. The meeting, for employers from the country's private sector, is being sponsored by the Chamber of Commerce and Industry of Haiti, the principal employers' organization. During this meeting, the participants focused on the crisis, the options for a solution, and a possible general shutdown of the business and industry sectors due to the shortage of fuel and the high cost of production. According to this source's statements, the meeting also aimed to establish responsibility for the embargo and and sought international chamber of commerce support. Let us listen now to a live report from Rosthchild Francois, Jr:

[Francois] Good afternoon. The Haitian private sector has been meeting since 0900 at the Villa Creole Hotel in Petionville. The objective is to find a common solution to the crisis, which has worsened as a result of the oil embargo. At least fifteen employers' associations are participating in this meeting, which has been convened by the Chamber of Commerce and Industry of Haiti. In this meeting, which is being conducted away from the microphones and TV cameras, the participants are discussing the consequences of the embargo. They are also analyzing proposals formulated by various sectors on the general closing of businesses, and partial operation. The representatives of the private sector are also considering the formation of a crisis committee within the employers' associations. They will also try to use the chambers of commerce and employers' associations as a means for international pressure.

The meeting of the Haitian private sector has been going on for three hours at the Villa Creole Hotel and is presided over by the president of the Chamber of Commerce, Roland Roy. Some resolutions should be adopted by the end of this forum. We will keep you informed. This has been Mobile Unit 20, for Radio Metropole.

Hospitals Affected by Fuel Shortages

FL2501173794 Port-au-Prince Radio Metropole in French 1145 GMT 25 Jan 94

[Excerpts] Some private hospitals have started to reduce their activities because of the scarcity of oil products or the high price of oil on the black market. However, we learned that the humanitarian fuel will be distributed free to public hospitals and sold at $1.20 per gallon to the private institutions in Port-au-Prince.

Thus, the fuel crisis continues to claim victims in the country's institutions. This week, it is the health sector that is threatened. Saint-Francois De Salle Hospital has decided to close its admission service and surgery unit. The hemodialysis section has also stopped working. This unit, the only center now available for hemodialysis which purifies the blood of patients suffering from kidney failure, can no longer operate because of the shortage of fuel. At the Saint-Francois De Salle Hospital, activities were extremely slow on 24 January. This 100-bed center is facing some extremely difficult moments according to its director, Doctor Sainphar Bontemps. [passage omitted]

The French hospital continues to offer full services to patients. The director, however, pointed out to us that its oil stock could be depleted by the end of the week. [passage omitted]. Mr. Martineau advised us that the French hospital intends to extend its admissions of deprived people.

At the Canape-Vert Hospital, services are being maintained. The manager of this 48-bed center says the hospital is affected by the shortage of fuel. Jean Craan states that he had to help colleagues who were facing urgent fuel problems this week. The director explained that the Canape-Vert Hospital could not in any event receive all the patients in Port-au-Prince in case the crisis worsens in the other hospitals. Jean Craan expresses the solidarity of the Canape-Vert Hospital with other health centers in difficulty. [passage omitted]

Questioned as to reports regarding a possible disqualification of the Canape-Vert Hospital in receiving humanitarian fuel because of the social class of its patients, Craan asserts that it would be a great mistake. He made a point of clarifying that the doors of the hospital are open to patients of differing social classes and that the hospital is approved by the state.

The hospital of the State University of Haiti is also affected by the shortage of fuel. The General Hospital is working with a reduced staff and oil products are being purchased at high prices while waiting for the humanitarian fuel, according to Director General Jean Boirond. [passage omitted]

St. Kitts and Nevis

PM Simmonds Appeals for Election Law and Order

FL2601014994 Bridgetown CANA in English 2112 GMT 25 Jan 94

[Text] Basseterre, St. Kitts, 25 Jan, CANA—St. Kitts and Nevis prime minister, Dr. Kennedy Simmonds, has appealed for the maintenance of law and order as opposition politicians prepare to step up their campaign for fresh general elections. Simmonds made the appeal ahead of Wednesday's start of a new session of parliament.

Simmonds went on ZIZ, the state-owned radio and television system, Monday night to urge restraint in the face of a planned protest demonstration by the St. Kitts-Nevis Labour Party (SKNLP). Simmonds said his opponents should pursue the parliamentary process and the courts to settle their grievances.

The Labour Party, like Simmonds' People's Action Movement (PAM), captured four seats in the November 29 poll but a larger majority of the popular vote. PAM teamed up with the Nevis Reformation Party to form a minority government. The Labour Party has been canvassing support across St. Kitts for a show of strength on Wednesday. The successful SKNLP candidates say they will not be taking up their seats in parliament, but would instead protest the swearing in of the minority government.

The installation of the government led to clashes between the police and Labour Party supporters on December 2. Prime Minister Simmonds said the police had given no permission for a demonstration on Wednesday and warned: "Those who break the law will be dealt with appropriately."

Referring to the December disturbance, which hurt the tourist industry, Simmonds said: "...We cannot afford or tolerate any similar disturbances now or in the future. We saw how quickly our country was set back and how abruptly the cruise ship trade dried up. Our economy is strong now and we need to keep it that way, but it can only remain so by the maintenance of law and order. But the Labour Party has threatened to close down town.

Dr. Assim Martin, one of Labour's successful candidates, said the price for freedom and democracy was high "and we are prepared to make the ultimate sacrifice, not just for ourselves, but for all the people. We are prepared and ready, just like the people of South Africa who will get the choice of majority rule in April," said Martin.

St. Vincent and the Grenadines

Mitchell, Opposition Leader Exchange Election Barbs

FL2501221494 Bridgetown CANA in English 1935 GMT 25 Jan 94

[Report by Rickey Singh]

[Text] Bridgetown, Barbados, 25 Jan, CANA—Shrugging aside the threat of a new opposition alliance, Prime Minister James Mitchell predicts his new democratic party (NDP) "will win a third term" in St. Vincent and the Grenadines' February 21 general election. The 62-year-old politician told CANA as he prepared to present his party's slate of 15 parliamentary candidates Wednesday night:

"No last-minute strategy of an alliance of convenience by the opposition parties can prevent us from securing a third consecutive mandate from the people of St. Vincent and the Grenadines".

The NDP's 15 candidates will be introduced during a rally at Victoria Park that officially launches the NDP's election campaign.

The newly-created opposition alliance of the St. Vincent Labour Party (SVLP) and the smaller Movement for National (MNU) [as received] will present its candidates on February 3, on the eve of nomination day, February 4. The alliance, announced on Monday, will be led by former opposition leader and leader of the SVLP, Vincent Beache. The 62-year-old Beache, a former long-standing trade and industry minister of previous Labour Party governments, brushed aside Mitcheli's prediction of a third term, saying:

"Mitchell's contrived confidence is based more on emotionalism and hope than pragmatism and the realities of politics in this country today."

Informed political observers, however, say that while the opposition alliance could "certainly weaken" the governing party in the election, the NDP would take at least 10 of the 15 parliamentary seats. Reacting to the calculation, Beache, opposition leader from 1984 to 1989, said: "We will surprise the cynics, and Mitchell in particular." He declined to say how many of the nine constituencies he thought the SVLP-MNU alliance would capture. He was optimistic about MNU leader, Ralph Gonsalves, a lawyer and political scientist, winning the North-Central Windward constituency seat, held by NDP's Johnathan Peters, until recently minister of trade. Peters' resignation, "for personal reasons," takes effect from month-end. In the 1989 general election, Beache and Gonsalves lost to Peters in the fight for the North-Central Windward seat.

For the February 21 poll, Beache will be contesting, for the first time, the South Windward constituency seat held by ex-Health Minister Burton Williams, who resigned earlier this month as a minister in the office of the prime minister, accusing Mitchell of "being too arrogant and contemptutuous of the people of St. Vincent and the Grenadines." Mitchell has dismissed speculation about "serious rifts" in his party forcing him to call the election.

"The opposition parties are grasping at straws," he said, "in seeking to make a lot of politics of the going, for different and personal reasons, of both Burton and Peters. It is not a problem for the NDP or me."

The prime minister said his party "will win on performance, our record of economic and social achievements, the quality of goverance, our concept of public accountability and, of course, the confusion among the opposition parties that now have their so-called 'unity' with three leaders."

Beache, referring to the "three leaders" comment, said the prime minister was "smarting from the unexpected electoral alliance. It is not a question of three leaders," he added, "but one leader of the alliance for the election, with the understanding should we win, as we expect to, I will be chosen to head a new government as prime minister while the SVLP and MNU will move to merge into a single party." Unlike the leader of the SVLP, lawyer Stanley John, and MNU's leader, Gonsalves, Beache is the most experienced political figure of the alliance. He lost his own traditional North Central Windward constituency in 1989 when Mitchell's NDP captured all 15 constituencies.

With a then 71-percent voter turn-out, the NDP's unprecedented victory that included the four constituencies labour had won in 1984, was achieved with some 66 percent of the valid popular votes. Labour, though failing to win a single seat, secured approximately 30 percent of the votes.

In contrast to Mitchell's rallying calls for a third term, based on constant economic growth rate ranging from more than three to seven percent over the past two terms, the opposition alliance is charging "deteriorating standards of living under a government with lopsided development priorities and arrogant leadership." The government and the opposition alliance are wide apart on the level of unemployment and the state of social services, particularly in health. Prime Minister Mitchell, whose government has consistently been given the "green light" on fiscal management by both the International Monetary Fund and the World Bank, has placed the jobless rate at approximately 20 percent. But Beache said unemployment was "now at least 40 and possibly 45 per cent." He said the government diverted too much development funding to the Grenadines, Mitchell's constituency. This, he claimed, was done "at the expense of St. Vincent where the hospital is without drugs and where the government remains insensitive to the alarming incidence of drugs-related crimes and rising cost of living."

Mitchell said his governments had succeeded in keeping inflation at between 2.1 and 3.1 percent, improved the "general social and physical infrastructure, and created development projects in the Grenadines to bring this country more in line with the realities of international competitiveness in the vital tourism sector."

Historian Predicts Mitchell Reelection

FL2601031794 Bridgetown CANA in English 2136 GMT 25 Jan 94

[Text] Kingstown, St. Vincent, 25 Jan, CANA—An opposition alliance to fight a February 21 general election in St. Vincent and the Grenadines will have to do some hard campaigning to win favour with the electorate, according to historian, Dr. Adrian Fraser. Fraser said the new group will have to sell itself hard to the electorate, since Prime Minister James Mitchell's New Democratic Party would exploit some of the questions about itself that the alliance has not answered.

He told CANA the alliance "raises more questions than it provides answers because one hopes that it has come about because of dissatisfaction with the state of things." He asked: "Have they been looking beyond the election?"

On Monday, the St. Vincent and the Grenadines Labour Party, led by lawyer Stanley John, and Dr. Ralph Gonsalves' Movement for National Unity announced that they had formed an alliance. The two parties will campaign on a common platform and share a single manifesto, but retain their individual identities.

Prime Minister Mitchell, whose party won all fifteen seats in the last general election, remains confident about a third straight win. He told CANA: "No last-minute strategy of an alliance of convenience by the opposition parties can prevent us from securing a third consecutive mandate from the people of St. Vincent and the Grenadines."

Caricom Must Improve Economic Climate for NAFTA Access

FL2601021194 Bridgetown CANA in English 2218 GMT 25 Jan 94

[Text] Bridgetown, Barbados, 25 Jan, CANA—Caribbean Community (Caricom) countries must make their economic climate more conducive to foreign investment if they are to gain access to the North American Free Trade Agreement (NAFTA), a Barbados official said.

Carlyle Carter, who heads the government's international business and financial services secretariat, spoke at a two-day conference here on NAFTA in relation to the 13-nation Caricom. The conference ended Tuesday.

Because NAFTA points to a need for revising laws governing economic and business activity in the region, Caricom has to revise existing legislation, or put new ones in place, to meet the requirements for trading under NAFTA, the permanent secretary said.

"It is therefore critical that Barbados and the other Caricom states respond to the NAFTA move by critically addressing (their) integration progress, trade liberalisation policies, and the structuring of (their) economies to beat the competition arising out of NAFTA and an expanded NAFTA. It will be necessary to make institutional and material adjustments not only to attract the offshore companies but also to retain their operations," Carter said, saying Caricom should ensure these adjustments complement instead of erode local business systems.

His views were shared by Mary Mahabir, one of the Barbados speakers at the conference. The attorney-at-law said Caricom countries face a daunting task in acceding to NAFTA because of the significant changes that would have to be made in their laws in order to meet the legal requirements of NAFTA. She said while a mere parity arrangement with NAFTA would not require such extreme changes, the legal adjustments are necessary if Caricom countries are to make headway under the trade pact.

"While the decision to seek Caricom parity with NAFTA or full entry into NAFTA would be based on political and economic considerations, the mechanics of accepting either parity or full entry will largely be a matter of law reform requiring substantial changes to the laws of Barbados and the other Caricom countries," Mahabir said. She noted some Caricom countries like Barbados had already taken steps to modernise their commercial law regime in areas such as company laws and intellectual property.

"The Mexican example will show moreover that efforts of reform must commence well before the actual initiative to join NAFTA is taken which is a number of years. And one realises the magnitude of legislation that will ultimately have to be made regarding free trade. The programme which will have to be undertaken to bring Caribbean law into a position where accession to the NAFTA can be achieved, is not something that can be done easily or readily. It will take years to complete," Mahabir said, adding that the sooner Caricom commences the process of reform, the better it will be for member countries.

NAFTA links Canada, Mexico, and the United States in a free trade bloc.

Defense Bulletin Notes Increase in Chiapas Crime

PA2501204494 Mexico City XEW Television Network in Spanish 0430 GMT 25 Jan 94

[Bulletin No. 25 issued by the Mexican National Defense Secretariat on 24 January; place not given; from the "24 Hours" newscast]

[Text] The National Defense Secretariat [NDS] is still receiving complaints from civilian residents of the war zone. Among the latest complaints are those filed by members of the board of directors of the Conasupo [National Company for Basic Commodities] Southeastern Distribution Company, Inc., who said that at 1130 on 20 January, on the Palenque-Benemerito de las Americas highway in Chiapas, near the 200-km marker, Messrs. Ube Tancheita, Fidel Mendoza Paredes and Roberto Sanchez Sanchez, drivers of three Conasupo vehicles, were attacked by a group of armed individuals who took their money.

Likewise, employees of the National Immigration Institute announced that in that same area and on the same day Fernando Sandoval Flores, Marcos Espinoza Aguilar, and Martin Au Rivera were attacked by approximately 30 armed individuals who were dressed in gray tops and dark pants and had their faces covered. Their assailants robbed them of 850 new pesos.

Meanwhile, Jose Transito Burguete Najera reported on 22 January that on 30 December he left 80 head of cattle at his El Jordan ranch in the municipality of Ocosingo and when he returned for them on 18 January he was attacked in La Nueva Estrella, a town in the same municipality, by 40 individuals who had rifles and were dressed in brown uniforms with large handkerchiefs around their necks. These men held Burguete Najera for 24 hours, demanding payment of 5,000 new pesos and four head of cattle. Since Burguete did not have the money they took four heads of cattle and a 3-ton pick-up.

On that same day Armando Aguilar Castellanos, owner of the El Porvenir ranch in Ocosingo Municipality, reported that on 20 January approximately 40 armed transgressors appeared at his home and stole his pick-up.

The perpetration of these types of crimes is becoming quite frequent; this has been confirmed by Mr. Antonio Robelo, a representative of the state cattle breeders' association, who disclosed that up until yesterday in Las Margaritas Municipality alone, over 1,500 head of cattle have been lost.

Robelo also disclosed that the transgressors have [shot] several peasants in their backs for attempting to desert from the armed groups.

The NDS has received a copy of communique No. 007/94 with today's date, addressed to the president of the republic, signed by the municipal president of Oxchuc, Chiapas and by the following municipal representatives: secretary general of the municipal committee of the National Peasant Confederation, president of the Community Property Commission, and municipal agents and education committees of the 48 communities that comprise Oxchuc Municipality. The document requests that the Mexican Army remain in Oxchuc to maintain its residents' peace of mind and it denies the accusations leveled against our Mexican Army, which has proven its loyalty by restoring social order.

Indians, Peasants Meet Social Development Secretary

PA2601021694 Mexico City XEW Television Network in Spanish 0430 GMT 25 Jan 94

[From the "24 Hours" newscast]

[Text] Indians and peasants of Chiapas have converged on San Cristobal de las Casas for the Second Meeting of the State Council of Indian and Peasant Organizations [Consejo Estatal de Organizaciones Indigenas y Campesinas]. On behalf of dozens of Indian and peasant organizations in Chiapas State, Marcelino Gomez Nunez, a leader of the National Coordinating Board of the Ayala Plan, invited President Carlos Salinas de Gortari to visit Ocosingo or San Cristobal de Las Casas as soon as possible. The visit would allow the president to get first-hand knowledge of the situation from those affected and offer him the opportunity to encourage the people to find a solution to the problems facing them after the New Year's conflict.

The meeting between Indians and peasants and Social Development Secretary Carlos Rojas took place at a warehouse complex known as El Pajal on the outskirts of San Cristobal, on the road to Rancho Nuevo. Eraclio Zepeda and Andres Fabrega, members of the National Commission for the Overall Development and Social Justice for Indian People were present, as well as Rigoberta Menchu, Beatriz Paredes, and Jose Narro Robles. All Indian and peasant leaders and representatives repeatedly expressed their desire for progress through dialogue. The leaders asked Secretary Carlos Rojas to set up a meeting between the Indian and peasant organizations and Peace Commissioner Manuel Camacho Solis in an attempt to reach agreements that will guarantee justice in Chiapas. One of the more important proposals made during the meeting was the establishment of a produce wholesale program for the conflict area.

EZLN To Release Former Chiapas Governor

PA2501152394 Paris AFP in Spanish 1324 GMT 25 Jan 94

[Text] Mexico, 25 Jan (AFP)—The Zapatist National Liberation Army (EZLN) condemned former Chiapas governor Absalon Castellanos to life in prison but has decided to "give him physical freedom and, instead, sentence him to live to the last day of his life with the

shame and embarrassment of having received the forgiveness and kindness of people who for so long a time he humiliated, kidnapped, dispossessed, robbed, and murdered."

In a communique released today to the media, the EZLN, which kidnapped Castellanos on 1 January, its first day of operations, announced that the "court" had sentenced the former governor "to life in prison, doing manual labor in an Indian community in Chiapas, and thus earning his food and necessary means of subsistence."

Castellanos, a retired Army general, was accused of "having repressed, kidnapped, jailed, tortured, violated, and murdered members of Indian towns in Chiapas who were struggling legally and peacefully for their just rights. He was also accused of having dispossessed the Indians of their lands "in complicity with the federal government in office at the time" and of "having become one of the most powerful landowners in Chiapas State."

The commutation of his sentence and his pending release—the communique is dated 20 January—was presented as "a message to the Mexican people and the peoples and governments of the world."

In the city of San Cristobal de las Casas in Chiapas it was announced today that Castellanos may "appear" at any time during the course of this day in good physical condition.

EZLN Not To Hinder 'Electoral Process'

PA2501152694 Paris AFP in Spanish 1350 GMT 25 Jan 94

[Text] Mexico City, 25 Jan (AFP)—The guerrillas of the Zapatist National Liberation Army (EZLN) "will not prevent the upcoming electoral process," Sub-Commander Marcos stated in a communique released Tuesday in Mexico. "We neither want nor can impose our ideas on Mexican civil society through the use of force, as does the current government when it imposes its programs on the country by force," he added. Presidential, legislative, and municipal elections are scheduled for 21 August.

In this pronouncement, Sub-Commander Marcos stated that "when a political and military force (such as the Mexican Federal Government) asks another political and military force (such as the EZLN) to hand over its weapons, that means in political and military terms that it is asking for an unconditional surrender. In exchange for unconditional surrender, the federal government is promising what it always does: an internal settling of accounts, a package of statements, promises, and more bureaucratic entities," he regretted.

The guerrilla leader added that the call to lay down their weapons "prompts the most suspicions. The historical lesson in Mexico and Latin America is that those who surrender their weapons trusting in the 'pardon' of their pursuers winds up shot dead somewhere by the weapons of any death squad of any political or ruling faction."

In another communique, the EZLN command called on Mexicans "to rally" around "the cause of a national revolutionary movement where there is room for the broadest trends, the most varied thinking, and different forms of struggle, yet there is only one aspiration and goal: freedom, democracy, and justice." "The EZLN calls on Mexicans to take up this cause, not the EZLN cause, not the cause of an armed struggle, but the cause of what is the right of every thinking being, the reason of our nation and understanding of our people: freedom democracy, and justice," it added.

In its analysis of the current situation, the EZLN command attributes to civilian society more than to its own actions that the possibility of dialogue on the problems in Chiapas State has been achieved with the government. Military actions have not "been as decisive for this shift in the conflict as have been the different public demonstrations in the streets, the mountains, and the news media by the most varied organizations and honest and independent people who are part of what is called civilian Mexican society."

The guerrillas affirmed that the uprising was the only path "left to us," but admitted that "other modes of struggle exist and are of great value," adding that the steps of all who are marching with the truth must follow a single path: the one that leads to freedom, democracy, and justice."

President Salinas Addresses Chiapas People

PA2601001694 Mexico City Radio ACIR Network in Spanish 2320 GMT 25 Jan 94

[Speech by Mexican President Carlos Salinas de Gortari in Chiapas State on 25 January—recorded]

[Text] Compatriots in Chiapas: I have been following events closely since the conflict in Chiapas began, and it has been the main concern of the president of the Republic. I have always tried to make decisions that would guarantee security for the population. With determination, I opened the path for a peaceful solution of the conflict.

The Mexican Army's role prevented the conflict from extending to other parts of Chiapas State. The Army fulfilled its constitutional duty with loyalty and will continue protecting the towns.

Today's main task is to seek peace by every means. You have witnessed all the efforts made to attain peace and the results obtained so far. Recent developments call for serious meditation from all of us to change old procedures and methods that did not work.

I have come to Chiapas to offer my steadfast support to the state in promoting peace, development, and justice. The most important factor will be a change in state relations. Projects and assistance will be defined by the municipalities, social organizations, and the state's congress, with political guidance from Governor Lopez Moreno. Your plans and most urgent projects will be supported by federal government institutions. Along

with meeting your most urgent needs, we will redouble efforts to find in-depth solutions for the state's problems.

Our most urgent task is to work together toward reconciliation. We know that when there are major differences, this is not easy, and therefore, we must try again and again. The task we have ahead of us is everyone's responsibility and everyone must share it, including government employees, from the most simple service to the highest responsibility. It is also a task for the people of Chiapas and all of the communities. All of us, with the people of Chiapas united for security, justice, peace, and democracy, will have to establish better relations with Indian communities by modifying priorities and accepting their decisions. The task we have ahead will not be easy. In facing divisions and rancor, humanitarian feelings and new actions of justice must prevail.

To each family in Chiapas, I want to express my concern and also my sadness over the recent incidents. At the same time, I assure you we have been and will always be attentive to your needs. We will do whatever we can to guarantee your safety and promote justice, which are the bases for the tranquillity of every family and community.

Here we are. I have just held another meeting with the social organizations. We will continue to center our efforts on consolidating peace, justice, and promoting a better climate of coexistence in Chiapas. Together, united, I am sure we can make it. Thank you very much.

Peace Commissioner Communique in Response to EZLN

PA2601032594 Mexico City Radio ACIR Network in Spanish 0030 GMT 26 Jan 94

[Report by Paloma Boves from the "Vector 21" newscast]

[Text] Manuel Camacho Solis, commissioner for peace and reconciliation in Chiapas, this afternoon sent a communique to the Zapatist National Liberation Army [EZLN]. Camacho Solis' latest communique was sent in response to the communiques released 25 January by the EZLN's Indigenous Revolutionary Committee—communiques in which Commander Marcos demanded that the government clearly state the degree to which it recognizes the EZLN. Commander Marcos made the demand in an effort to assess the value of any guarantees he might receive from the government during the dialogue process.

In his communique, Camacho Solis says a proposal that will be released on Thursday will formalize the terms for an honest, serious, and responsible meeting. Camacho Solis says the groundwork is being laid for a cease-fire, and he assured the EZLN that the government is giving humanitarian assistance to the communities that require food and health care. Finally, he said the communities, society, political parties, and institutions are all working to find more respectful ways of achieving the pacification demanded in Chiapas by way of a national commitment toward democracy, justice, and freedom.

Nicaragua's Ortega Comments on Chiapas Conflict

PA2601041494 Madrid EFE in Spanish 0014 GMT 26 Jan 94

[Text] Mexico City, 25 Jan (EFE)—Former Nicaraguan President Daniel Ortega today denied any links between the Zapatist National Liberation Army (EZLN) and guerrillas in Central America.

However, he added, it would not be surprising to find Latin Americans among the Zapatists, "because Latin America has always been present in the region's revolutionary movements, although violence is something that cannot be imported."

Ortega, who made a brief stopover in Mexico on his way to Cuba, said the armed conflict in Chiapas is a warning that proves the neoliberal policies imposed by the United States on Latin America are a social failure.

Ortega, who will attend a Cuban solidarity meeting on the Caribbean island, said the rebellion in southeastern Mexico should not only shake up the conscience of the Mexican people, but of the entire region.

"Until misery and social injustice disappear, violent movements will continue in Latin America," he added. Ortega also said the insurrection is a warning to governments, which "should not rest on their laurels," believing that the fall of socialism in Eastern Europe means we are now living in "the kingdom of capitalism."

Governments "should realize that misery and unemployment are there, before their eyes, and that as long as there is misery and unemployment, there will be uprisings and social violence," he stressed.

Chiapas State Congress Approves Amnesty Law

PA2601134594 Mexico City XEQ Canal 9 Television Network in Spanish 0430 GMT 26 Jan 94

[Telephone report by Jose Eduardo Campos from San Cristobal de las Casas, Chiapas State, from the "24 Hours" newscast—live]

[Text] The Chiapas State Congress has approved the amnesty bill proposed by Governor Javier Lopez. The state amnesty law includes only common crimes punished by the Chiapas State Penal Code and committed strictly in connection with the violence that has occurred starting on 1 January.

The amnesty law is made up of seven articles, the first of which states that amnesty will be decreed in favor of all persons against whom penal actions have been taken or may be taken in Chiapas civilian courts for crimes perpetrated in connection with the events that occurred in several Chiapas State municipalities starting on 1 January. The implementation of these provisions will be handled by a special commission to be appointed by the Chiapas governor.

The second article states that individuals will benefit from the amnesty law provided that they turn in their weapons and hostages.

The third article deals with the suspension of all penal actions and sanctions decreed for crimes described in the law.

The fourth article involves the cancellation of arrest warrants that have already been issued, thus releasing people already sent to trial or sentenced to prison.

Article five states that the recently approved amnesty law will only be effective when the commission appointed by the governor issues a cease-fire declaration. The amnesty law cannot be implemented if the commission does not announce a cease-fire.

The sixth article states that persons who opt for the amnesty law cannot be arrested for previously committed crimes from now on.

The seventh and last article of this amnesty law states that the benefits will also apply to minors.

There is a provisional article in the amnesty law which specifically states that the law will become effective tomorrow when it is published by the official newspaper in Chiapas.

Roundup of Economic Developments Through 25 Jan

PA2501204594

[Editorial Report] The following is a compilation of reports on Mexican economic developments monitored through 25 January. Source is cited in parentheses following each item.

Mexican Petroleum, Pemex, reported on 18 January that the United States purchased 66 percent of the Mexican petroleum exports for 1993, Spain got 14.9 percent, and Japan 6 percent. Pemex reported a slight decline in petroleum prices last December both on the American continent and in Europe. Company sources concluded that the annual daily average of petroleum exports for 1993 totaled 1,337,400 barrels. (Paris AFP in Spanish 0035 GMT 19 Jan 94)

During the present administration, the Mexican Stock Market has become the ninth largest in the world. The National Securities Commission explained that the Mexican Stock Market grew by 705 percent in 1993 with respect to 1988. The Commission added that the capitalization value of the stock market in 1993 totaled 624 billion new pesos. Regarding the flow of foreign investments in the stock market, they totaled over $10 billion last year. So far the Mexican Stock Market has accumulated $23.5 billion in foreign investments. (Mexico City Canal 13 Television Azteca Network in Spanish 1300 GMT 19 Jan 94)

The secretary of communications and transportation on 18 January presented the balance of an intense work plan for 1994. He reported the communication and transportation modernization program for 1994. The official said consolidated spending for this sector will total 50 billion new pesos, of which 34 billion will be supplied by private businesses. The government earmarked approximately 16 billion new pesos for the communications and transportation sector. The official concluded 2,476 km of highways will be built in 1994, adding that public investment in national railroads will total 1 billion new pesos, while private investments will equal 200 million new pesos. (Mexico City XEW Television Network in Spanish 0430 GMT 19 Jan 94)

The Mexican Government has received a $300-million loan from the Inter-American Development Bank, IDB, for scientific-technological areas and the development of the tourism infrastructure. Finance Secretary Pedro Aspe Armella and the IDB vice president signed the loan document at the Finance Secretariat offices. Of the $300 million, $230 million is destined for the scientific and technological area to finance projects. The remaining $70 million will be earmarked for the Tourism Fund to promote Mexico's participation in the world tourism market. (Mexico City XEW Television in Spanish 0430 GMT 20 Jan 94)

The Secretariat of Communication and Transportation has authorized the participation of foreign companies in the fax and electronic mail services market. In a bulletin issued on 19 January, the Secretariat said this provision went into effect in January to promote the development of telecommunication service infrastructure in Mexico. This measure, however, does not include the service of videotext and telepac, which will open to the international market in 1995. (Paris AFP in Spanish 0005 GMT 21 Jan 94)

Banco de Comercio Exterior has issued $1 billion worth of bonds at a 10-year term. The bonds were successfully sold in European, Asian, and U.S. markets. The institution said that given world competition to attract capital, the global bonds [bonos globales] represent a new alternative for attracting foreign capital. Bank sources said the resources obtained from the issue of bonds will be earmarked for investment projects connected to exports. (Mexico City Canal 13 Television Azteca Network in Spanish 1300 GMT 24 Jan 94)

Inflation rose by 0.4 during the first 15 days of January. It should be pointed out that for the same period in 1993 inflation totaled 0.8 percent, namely twice as much as this year. According to the Bank of Mexico, the products and services whose prices rose in the first days of January were rent, domestic gas, fruits and vegetables, urban transportation, and soft drinks. During the first 15 days of January, the Consumer Price Index of the basic market basket rose by 0.7 percent with regard to the previous 15 days. (Mexico City Canal 13 Television Azteca Network in Spanish 1300 GMT 25 Jan 94)

Costa Rica

Roundup of Economic Developments Through 25 Jan

PA2501153594

[Editorial Report] The following is a compilation of reports on Costa Rica economic developments monitored through 25 January. Source is cited in parentheses following each item.

Central Bank President Jorge Corrales reported on 11 January that the Costa Rican economy grew 6.3 percent in 1993, one percentage point less than 1992. Corrales expressed satisfaction because all economic indicators surpass the goals negotiated between the government and the IMF. He highlighted that the improvement is the result of such steps as the elimination of 260 exonerations to privileged groups, greater income from tourism, a reduction in the inflation rate—9.05 percent—and the low rate of unemployment—4.1 percent. (San Jose LA NACION in Spanish 12 Jan 94 p 24a)

Despite certain setbacks and difficulties including uncertainties in the international market, the agriculture sector continues to be the main source of foreign exchange with a 51.7 percent share through exports in 1993. Exports amounted to $2,381,430,000 of which agricultural exports represented $1,232,640,000. During 1993, agriculture represented 45.66 percent of all the country's sales. Exports of nontraditional products grew 35 percent in 1993 compared to 1992. (San Jose LA NACION in Spanish 13 Jan 94 p 3-c)

El Salvador

Roundup of Economic Developments Through 25 Jan

PA2501161794

[Editorial Report] The following is a compilation of reports on Salvadoran economic developments monitored through 25 January. Source is cited in parentheses following each item.

Central Reserve Bank President Jose Roberto Orellana Milla reported that El Salvador is experiencing sustained, accelerated economic growth. Urban unemployment dropped from 8.4 in 1989 to 8.1 percent in 1993, and 149,950 new jobs were created between 1989 and 1994. Orellana said the minimum urban wage has increased to 935 colones a month and that public workers' salaries increased more than 22 percent in 1993. (San Salvador LA PRENSA GRAFICA in Spanish 19 Jan 94 p 15)

The Inter-American Development Bank representative reported that in 1993 El Salvador received $109.2 million, which is equivalent to 948.5 million colones, for development projects. The funds financed 32 projects covered by 16 loans, five concession loans, and 11 donations of technical cooperation. The IDB approved three credit operations worth $85 million and four donations of technical cooperation worth $2.86 million for El Salvador in 1993. (San Salvador LA PRENSA GRAFICA in Spanish 2 Jan 94 p 13)

Guatemala

Officials Comment on Violence, Urban Rebel Groups

PA2501165894 Guatemala City PRENSA LIBRE in Spanish 24 Jan 94 p 3

[Text] Guatemalan Vice President Arturo Herbruger Asturias has said government security forces will have to "harden" their attitude in order to suppress groups that want to destabilize the state through violence.

At a news conference, the Vice President said violent acts could definitely create chaos before the referendum. These are censurable terrorist acts that cannot be tolerated and the government has a duty to punish the wrongdoers, he added.

The Army Rules Out Existence of Urban Guerrilla Force

Army spokesman Edith Vargas de Marroquin denied the existence of an urban guerrilla force, but indirectly accused the insurgents of the terrorist attacks carried out 18th Street, Zone 1, on Wednesday and in front of Congress Sunday morning. "These attacks were perpetrated as the Poor People's Guerrilla Army (EGP) celebrates its anniversary and it is unfortunate that in order to make their presence felt they affect the lives of innocent people. In addition, it is irresponsible, because they employ methods that endanger the population," she said.

The Government Rejects Congressmen's Allegations

Presidential Secretary General Hector Luna Troccoli denied the allegations of several legislators who accuse the government and the Army of provoking the current situation. "These are absurd and irresponsible accusations, since not only the government, but the people themselves are asking for the legislators' resignations. Unfortunately, this is absurd and inhumane terrorism, since any differences can be resolved through dialogue," he added.

Violent Acts Have International Impact

For his part, Government Minister Arnoldo Ortiz Moscoso said these incidents occurred a few days before the referendum, which leads one to believe they could be fueled by radical groups that do not want a change in policy. Ortiz does not believe the violence is being promoted by legally registered political parties, or by popular groups. Visibly irritated, he said "the [responsibility for the] blood spilled should fall on the wrongdoers."

He again pointed out that these incidents occurred at a time when the Guatemalan National Revolutionary Unity (URNG) and the government are getting ready to renew negotiations to end the more than 30 years of armed conflict. Unfortunately, this affects us internationally, he concluded.

Roundup of Economic Developments Through 25 Jan

PA2501153694

[Editorial Report] The following is a compilation of reports on Guatemalan economic developments monitored through 25 January. Source is cited in parentheses following each item:

The Bank of Guatemala president reported that demand for foreign currency as of 14 January totalled $35.6 million. He added that this fact could be the result of the present political uncertainty. The official noted that the exchange rate remains relatively stable. The Bank president also reported that international monetary reserves have gone from $738 million to $756 million this month. (Guatemala City PRENSA LIBRE in Spanish 18 Jan 94 p 62)

President Ramiro De Leon Carpio delivered 3.1 million quetzales to the mayors of Chiquimula in his recent working tour of that department. De Leon explained that the funds became available thanks to his austerity policy. The money will be used for public projects in the aforementioned municipalities. (Guatemala City PRENSA LIBRE in Spanish 24 Jan 94 p 36)

Nicaragua

Transportation Strike Continues; More Talks Scheduled

PA2501235894 Managua Radio Catolica in Spanish 2200 GMT 25 Jan 94

[Unattributed report from the National Assembly in Managua on talks between representatives of the transportation industry and the government; from the "The Nation Radio Newspaper"]

[Excerpt] This afternoon, the National Transport Commission failed to attend negotiations that the government opened with the four organizations that make up the National Transportation Council. The two transportation chambers and the two transportation federations—Fetracanic [Federation of Nicaraguan Cargo Carriers] and Fetracolnic [Federation of Nicaraguan of Passenger Carriers]—are holding a meeting on the second floor of the Presidency in an effort to reach agreements to put an end to the problems caused by this strike. Journalists outside the Presidency have been denied access to the meeting on instructions from the Presidency's Public Relations Office. The journalists, however, are waiting for results of the talks.

Nevertheless, the strike will not be resolved, at least today, because of the National Transportation Commission's absence. The vehicles that had been blocking the nearby streets were removed this afternoon. Talks are expected to be resumed tomorrow. [passage omitted]

Strikers Erect Roadblocks, Light Bonfires

PA2601053294 Hamburg DPA in Spanish 0335 GMT 26 Jan 94

[Text] Managua, 25 Jan (DPA)—Tonight, the Nicaraguan cargo and passenger carriers strike demanding economic improvements, which started on Monday, unleashed several violent actions in Managua's eastern neighborhoods where the residents erected roadblocks, lit bonfires, and blocked the main streets with vehicles.

After negotiations between the carriers and the government delegations failed, the climate of "peaceful actions" deteriorated into a riot atmosphere without police intervening to restore order.

Gustavo Aguiluz, spokesman for the powerful National Transportation Commission, reported that a dozen taxi drivers were detained by the Managua police and that one of them was even beaten in the confusing situation.

Parrales Vallejos Cooperative buses blocked the Portozuelo freeway in Managua's northeastern area. On several streets, bonfires blocked traffic and bottlenecked buses and taxis.

Tonight, the strikers closed off city exits to Leon and Chinandega and partially closed off the routes to the country's east.

It has been reported from Esteli that bottlenecks impeded free traffic toward the Honduran border. The strike worsened when the Federation of Nicaraguan Cargo Carriers and the National Transportation Commission decided to keep pressing their demands as long as the goverment fails to negotiate a reduction of prices on oil byproducts and other socioeconomic benefits.

The government has not yet clearly stated its position regarding the carriers' demands. Meanwhile, the strike is spreading and people who use public transportation vehicles must walk to get to work.

Troops Deployed

PA2601045194 Hamburg DPA in Spanish 0340 GMT 26 Jan 94

[Text] Managua, 25 Jan (DPA)—Managua police are preparing to clear the streets of barricades and bonfires that are blocking the free flow of privately owned vehicles. The obstacles were placed in the streets by demonstrating public transportation workers, who are staging a strike to demand a reduction in fuel prices.

Trucks loaded with troops were deployed following orders from police headquarters, which received instructions from Government Minister Alfredo Mendieta, according to reliable sources.

The transportation workers are surrounding those vehicles that form roadblocks along several roads. The demonstration could become violent after negotiations between government and transportation representatives have hit a stalemate.

[Paris AFP in Spanish at 0243 GMT on 26 January transmits a related 155-word, Managua-datelined report that says union leader Gustavo Aguiluz has announced that "two taxi drivers were wounded by gunfire and another was beaten." After noting that 10 demonstrators have been arrested, the AFP report adds that Aguiluz "reported police excesses and asked for the Human Rights Commission to intervene." The report also says a local radio station "reported a shootout between members of different cooperative unions, but the station mentioned nothing about casualties or the reason for the clash."]

Chamorro, Finance Minister Comment

PA2601013994 Managua Canal Cuatro Television in Spanish 0300 GMT 25 Jan 94

[Report by Gabriels Guevara from the "Extravision" newscast]

[Text] President Violeta Barrios de Chamorro today described the transportation strike as senseless, adding that this is a bad time to paralyze this service.

[Begin Chamorro recording] What do they want? Do they want to own their own vehicles or not? Would they prefer to work for someone else, as they did in the past? Today they own their own vehicles, which they obtained through credits that must be paid. How long have they had those buses? For more than a year. They were given a grace period of a year, and they are still behind in their payments. Come on, now, they must pay. [end recording]

Meanwhile, Finance Minister Emilio Pereira said these activities that disrupt public order prevent the country's economic growth.

[Begin Pereira recording] Each time we carry out actions such as these, we prevent the country's economic growth, because they can result in a loss of more than $1 million a day. In addition, we should not only think about how much we lose today, but how much we will lose in the future. Tourists will stop coming. There will be no investments or new jobs. [end recording]

With regard to the demands from the transportation workers, Minister Pereira said:

[Begin Pereira recording] Unfortunately, we do not produce oil in Nicaragua. Second, the price of fuel must be in line with the value of the dollar to maintain our reserves, to support our production and credit plans, and to promote new jobs, which is Nicaragua's main problem. [end recording]

Minister Pereira said the government is willing to find a negotiated solution to the transportation problem, but it will maintain its position.

Government Issues Communique

PA2601055894 Managua Radio Nicaragua Network in Spanish 0449 GMT 26 Jan 94

[Government communique on the national transportation strike issued in Managua on 25 January—read by Transportation Minister Pablo Vigil; live or recorded]

[Text] Motivated by a desire to guarantee the necessary conditions for normal activities required by economic development and demanded by the Nicaraguan people, and in view of the need to guarantee public transportation, free movement, and public order throughout the nation, the Government of the Republic of Nicaragua informs the public that efforts to review and resolve the problems in the transportation sector, in agreement with all of the groups representing this sector, have been fruitless because it has been impossible to get these organizations to sit down and negotiate with the government.

Attempts to arrange a meeting between the government and the five organizations yesterday at 1500, as well as today at 1200, failed to achieve joint solutions to the problems in the sector, despite calls for such solutions made by His Eminence Cardinal Miguel Obando y Bravo, the good offices of the president of the National Assembly, and the secretary general of the Sandinist National Liberation Front.

In view of the position assumed by these groups, it is obvious that an internal struggle for leadership prevents them from reaching a satisfactory agreement with the government authorities. Consequently, the Government of the Republic has decided to inform the nation and each of these organizations of the following:

1. To encourage production in general and overall public transportation of passengers and cargo, the price of diesel is established at 7.15 cordobas per gallon, which is the price that existed in July 1993.

2. Prices of the following products are frozen at the current levels until 30 April 1994: regular gasoline, kerosene, butane gas, and diesel, in accordance with Point No. 1.

Small trucks used for passengers and freight, as well as taxi drivers with active vehicles organized in legally established cooperatives, will receive a bonus of 1.15 cordobas per gallon of gasoline up to a maximum of six gallons per day. This bonus will be in effect between 1 January and 30 April 1994. The mechanism used to pay this bonus will be regulated according to what has been established in the September 1993 agreements.

4. [number as heard] There will be no charges added onto those currently established for the purchase of license plates, according to Decree 62-93.

5. The Construction and Transportation Ministry will form a commission with all sectors representing the transportation sector to draft a new general transportation bill before 30 April defining the characteristics and duties of the National Transportation Council.

[Issued] Managua, 25 January 1994

Strike, Demonstrations Prompt Chamorro To Delay Trip

PA2601003694 Managua Radio Catolica in Spanish 2200 GMT 25 Jan 94

[From "The Nation Radio Newspaper" newscast]

[Text] Today President Chamorro decided to delay an official working trip to Carazo because of demonstrations by striking drivers. She had planned to visit Carazo, where drivers began demonstrations this morning. President Chamorro had been scheduled to inaugurate a few paved streets, some remodeled schools, and visit San Sebastian Basilica.

Just after 0800, Carazo joined the transportation strike as more than 100 taxi drivers blocked the roads coming out of Jinotepe, which affected 95 taxi routes in the department.

Currently, the government is meeting with four transportation sector organizations at the Presidency. Only two chambers and two federations that are members of the National Transportation Council, which was created by a government initiative, are attending the meeting. The drivers are discussing problems such as the increase in fuel prices and the repeal of laws and ministry resolutions that establish new taxes.

At noon today, the Los Parrales-Vallejos group of the National Transportation Commission broke off negotiations with the Chamorro Government. The strike is gaining strength. Drivers have incited violence and tension in some main streets of the capital. Since this morning, the union of taxicab drivers has deployed vehicles and sparked demonstrators in places such as the Senderi, Repustula 15, and Rubenia neighborhoods and in the Ivan Montenegro Market. Armed with knives, taxi drivers have punctured the tires of those taxis that have dared to continue their regular operations.

Daniel Ortega on Election Plans, Transportation Strike

PA2601050394 Managua Radio Corporacion in Spanish 1230 GMT 24 Jan 94

[From the "Trench" newscast]

[Text] Yesterday, FSLN [Sandinist National Liberation Front] Secretary General Daniel Ortega Saavedra met with Sandinist members in Leon and Chinandega, where they discussed the preparations for their convention in May.

Ortega told the rank-and-file it is necessary to restructure from committees within departmental municipalities all the way up to the National Assembly. He said if it is necessary to make changes in the National Directorate to recover the trust of members, it should be done. Ortega added that from now on, the FSLN's work must focus on paving the way to returning to power in the 1996 elections. He said Sandinists cannot allow outsiders who want to take advantage by pretending to be possible candidates because it is very dangerous and the rank-and-file must remain vigilant.

Ortega told Sandinists gathered in the [words indistinct] the National Autonomous University of Nicaragua that they should support the transportation strike because the government's economic measures are affecting the cost of living. He said violence should be avoided. He mentioned a communique, which has been attributed to an organization of rearmed individuals who call themselves the armed division of the drivers, and he said that this can be viewed as a provocation.

Daniel Ortega categorically rejected the presence of the U.S. DEA in Nicaragua. He said the DEA's actions of interdiction operations against cocaine traffickers violated Nicaragua's sovereignty. In addition, Ortega noted that the DEA's actions are very dangerous because at any moment, there might be up to 20,000 armed men in Nicaragua under the pretext of pursuing drug traffickers.

In the case of Juan Pablo Cruz Laguna, Ortega accused the government of Honduran President Rafael Callejas of lying and being an accomplice. Ortega said that when Callejas came to Nicaragua, he already knew who had murdered Cruz Laguna, and Ortega criticized President Chamorro's government for decorating Callejas.

3-80 Northern Front Agrees To Resume Talks With Government

PA2501215394 Managua Radio Corporacion in Spanish 1230 GMT 24 Jan 94

[From the "Trench" newscast]

[Text] Matagalpa— Salvador Talavera Alaniz, a.k.a. Commander Esteban, and Commander Franklin [Israel Galeano Cornejo] met with Monsignor Juan Abelardo Mata Guevara, the bishop of Esteli, on 20 January in Los Arados community, El Jicaro jurisdiction, Nueva Segovia. The commanders told the monsignor that changes in government policies and in the National Assembly and the more subdued tone and policies of General Humberto Ortega have motivated the 3-80 Northern Front [FN 3-80] to change its strategy and renew its dialogue with the government.

Msgr. Juan Abelardo Mata and a number of priests from Esteli Diocese, members of Cardinal Miguel Obando y

Bravo's Verification Committee, members of the Pro-Human Rights Association, El Jicaro Deputy Mayor Alba Iris Rivera Rivera, and Commanders Esteban and Franklin analyzed the sociopolitical situation and the changes in government policies. They decided to continue talks with the government and proposed new discussion points, among them a cease-fire and relocation of members of the Sandinist People's Army [EPS] and the FN 3-80.

Another point proposed by the group led by El Chacal [Jose Angel Talavera] is the incorporation of FN 3-80 members into the police force in areas where the front has a strong social base and the creation of programs and projects for remaining members to help reincorporate them into civilian life.

Other points proposed by the FN 3-80 high command include the discussion of a demobilization calendar. Demobilization will be proportionate to government compliance with its social programs. The FN 3-80 also seeks guarantees for the security of its demobilized men and their reincorporation into civilian life so they can continue their struggle in a civic manner through the Nicaraguan Resistance Party.

During the meeting between the FN 3-80 and His Eminence Msgr. Juan Abelardo Mata, the FN 3-80 said the two men described by the EPS as 3-80 Northern Front deserters are mere criminals.

Msgr. Abelardo Mata will take the agreed upon proposals before the government. The parties agreed to hold another meeting, but neither a date nor a place has been specified. The good faith of the members of the FN 3-80 guarantees, however, that they will not continue their armed struggle in the country's northern mountains.

Roundup of Economic Developments Through 25 Jan 94

PA2501163394

[Editorial Report] The following is a compilation of reports on Nicaraguan economic developments monitored through 25 January. Source is cited in parentheses following each item.

Officials at the Economy and External Cooperation Ministries said that despite current government optimism and expectations for renewed economic activity in 1994, Nicaragua's economy is still perceived throughout Central America as the worst in the region. The sources indicated that conditions during 1994 will be determined primarily by the agricultural cycle and international cooperation, both of which show decreasing tendencies. Funds received from international cooperation will be used mostly to pay $250 million in foreign debt. Of the $250 million liquid funds to be received as part of the international assistance package, only $70 million has been contracted as loans while $150 million is coming from the Enhanced Structural Adjustment Facility (ESAF) program. In the meantime, unions continue to protest government plans to privatize several state enterprises, including utility companies such as the Nicaraguan Institute of Energy and the Nicaraguan Telecommunications and Postal Services Institute. (Managua EL SEMANARIO in Spanish 20 Jan 94 p 3)

Social Action Minister William Baez, Carlos Noguera, director of the Social Emergency Investment Fund, and Maria Hurtado, director of Small Business Support, announced plans to create approximately 28,000 provisional and permanent jobs this year. The three officials agreed that one of the biggest causes of unemployment in Nicaragua is the government's structural adjustment program. The same sources said that unemployment in Nicaragua is expected to reach 60 percent of the economically active population. (Managua EL NUEVO DIARIO in Spanish 20 Jan 94 p 6)

* Challenges to Sandinism Viewed

94CA0059A Managua EL NUEVO DIARIO in Spanish 12 Dec 93 p 4

[Part two of two-part article by Danilo Aguirre Solis]

[Excerpt] [Passage omitted]

Confrontation, Violence, War

In the preceding article we said that the message the voters sent to Sandinism in April 1990 had two parts: their fatigue with war, and the siren song of economic abundance.

We have already discussed the latter; now let us look at the first point.

War of the magnitude it had reached at the end of the 1980's has disappeared, but the government can take more credit for this than the FSLN [Sandinist National Liberation Front]. In fact, it was when the new government took office that the imperialist sponsorship of armed counterrevolution ceased, and it is the new government that is spearheading the dismantling of the army of resistance.

In this phase, Sandinism bears the responsibility for reducing the Army and its ensuing disputes, and it must stand firm in professionalizing the EPS [Sandinist People's Army] and the police.

However, it has not been possible to dispel fully the idea of some underground sponsorship of new episodes of violence, particularly as a good part of those outbreaks are to some extent legitimized by the justice of the demands.

So we must still go further in converting the Army and the police, in the eyes of the citizens—both Sandinists and non-Sandinists—into models of professionalism, thus erasing any doubt about dual loyalties and, through this process, firmly preventing this government from converting them into pretorian guards that will back

arbitrary actions and revanchism, particularly in the case of the Ministry of Government and the police.

Finally, there is the behavior of popular organizations and their methods, an area where we sincerely believe we have not managed to eliminate some of the stigmas attached to us, stigmas that contributed to the 1990 defeat.

We have not yet learned to distinguish between the use of violence to stop revanchist violence and the socio-economic crushing of the people. Taking these methods to extremes will culminate in destruction or unnecessary troubles that are frowned upon by those whom we wish to attract to our cause, and even worse, will lead the government to wash its hands and claim to be victims of Sandinism, which does not allow it to govern. Despite the falsity of that charge, it cannot be denied that we are still viewed as combative and violent by the ordinary citizen, who subconsciously expects even worse clashes if we get back in the government.

We need to remember the resources that we control so that in any conflict, without renouncing our principles and our demands, we can make use of these resources, and so make our claims stronger and bring together the majority of the Nicaraguan population.

We know that improving our methods of struggle is a serious challenge in today's grave situation, but facing such challenges is part of the integral vision that a good politician needs to have.

Let us leave for a third part the FSLN's political work and its repercussions on the Sandinist grass roots and the people in general. That is perhaps where we have made the most progress, even though we continue to read articles about the so-called co-government, articles which contain the same amount of disinformation as in the beginning, and the same line that unconsciously blocks the harmony that must exist between political action and popular struggle.

In summary, perhaps we may also include in this next part other elements that affect this entire situation: the lack of an alternative, essentially Sandinist program; the issue of personalities in the leadership; and electoral expectations of combining those personalities with future presidential candidacies.

Panama

Molirena Controversy Prompts Minister To Resign

PA2601003794 Panama City Circuito RPC Television in Spanish 2300 GMT 25 Jan 94

[From the "RPC Television News" newscast]

[Text] Presidency Minister Julio Harris tendered his resignation to President Guillermo Endara today. In a letter to the president, Harris explained that his decision responds to the current political situation regarding the Nationalist Liberal Republican Movement [Molirena].

President Appoints Mayors in Several Municipalities

PA2501204394 Panama City Telemetro Television Network in Spanish 1730 GMT 25 Jan 94

[Communique issued by the Presidency of the Republic in Panama City on 25 January; from the "Telemetro Reports" newscast]

[Text] His Excellency President Guillermo Endara Galimany, by virtue of the power vested in him, has appointed the following persons to occupy the mayoral posts in the following districts: Alcibiades Bustavino, mayor of Pese; Mario Melendez, mayor of Baru, Puerto Armuelles; Dora Lesbia Palacios, mayor of Anton; Enrique Batista, mayor of Rio de Jesus; Hector Ovidio Herrera, mayor of Atalaya; Nelson Martinez, mayor of Canazas; Adriano Moscoso, mayor of Santamaria; and Gabriela Pino Cosio, mayor of Calobre.

Endara Dismisses Molinera Members

PA2601013394 Panama City LA PRENSA in Spanish 25 Jan 94 p 1

[Report by Ibeth Vega G.]

[Text] Yesterday, after the government alliance broke up, President Guillermo Endara proceeded to dismiss several Molirena [Nationalist Liberal Republican Movement] members from his government. He fired the San Miguelito mayor as well as the governors of Panama and Cocle.

Yesterday afternoon, Endara himself confirmed the appointment of John Hoger as San Miguelito mayor replacing Ruben Dario Campos. Daphne Guinard de Clement replaces Irlena Brown as Panama governor and Lindberg Ramos replaces Generoso Carles as Cocle governor. The former Cocle governor is nephew to Molirena presidential candidate Ruben Dario Carles.

The first changes in the Endara administration took place two days after the government alliance broke up as a result of not reaching an agreement aimed at forming a presidential slate during negotiations.

Endara stated the changes in his government are positive, but more than anything else, these changes are aimed at providing more benefits to the needy.

Yesterday afternoon, former Governor Irlina Brown was interviewed by LA PRENSA over the telephone and she indicated she had not yet received any calls notifying her of the presidencial decision. Brown added: "I think it is totally ridiculous that I found out from the media. I have been here all day and I have not received any direct or official notification yet."

According to Browr, party leaders have instructed Molirena members to remain in their positions until told to do otherwise; "however, it is unfortunate we are returning to former times, especially after we fought so hard."

On the other hand, Solidarity Party President Samuel Lewis Galindo sent Endara a letter yesterday calling on him to prevent the vacancies resulting from Molirena resignations from becoming political booty. "We urge you to appoint people to those positions who are not involved in politics or who will guarantee respect for the public employees' stability so the sad practice of distributing political quotas to satisfy the insatiable does not continue," the note added.

Meanwhile, Endara said he has been conducting consultations and thinking about possible cabinet changes. He added the government crisis resulting from the dismissal of Molirena members "will not weaken my government, although I will have to make some adjustments because it will have internal repercussions. I am thinking about possible changes. They will be announced once I make a decision."

Endara deplored the break up of the government alliance, adding that Molirena's decision to break off the negotiations was "silly."

Gruber on Possible Alliances, Endara's Role in Campaign

PA2501213694 Panama City Telemetro Television Network in Spanish 1730 GMT 25 Jan 94

[From the "Telemetro Reports" newscast]

[Text] Mireya Moscoso de Gruber, Arnulfist Party [PA] presidential candidate, said that if Molirena [Nationalist Liberal Republican Movement] members wish to remain in the government, it will be up to Molirena leaders. De Gruber reiterated that an alliance with the friendly parties could not be made in response to personal interests.

[Begin recording] [De Gruber] On Sunday we nominated a presidential slate of three candidates. We said PA was a serious party and that the three candidates on the slate were to go to the campaign. In any case, convention delegates agreed to form alliances with other parties after 23 January, provided that those parties wished to join the alliance. They left that possibility open.

[Unidentified reporter] [Words indistinct] with Molirena, then?

[De Gruber] Yes.

[Reporter] Do you wish to meet with Professor Carles?

[De Gruber] If he wants to meet with me, I would be pleased to meet with him.

[Reporter] Will the PA presidential ticket change?

[De Gruber] No.

[Reporter] Are you aware of the fact that this division is making it possible for the PRD [Democratic Revolutionary Party] to win?

[De Gruber] Listen, we—and I personally—did all we could to form an alliance. I said this a month ago in David. We believe there must be an alliance of all parties. However, here the interests of some prevailed over those of the country.

[Reporter] Some people have said that the president has talked too much about politics and may be violating some electoral provisions. Do you agree?

[De Gruber] The president said at all times that there will be free, clean, and democratic elections in this country. No matter who wins, the president will surrender the Presidency to that person. Nobody can prevent him from making any statements he may have made as a member of his party after working hours.

[Reporter] Do you fear a possible trial of the president? [Legislative Assembly President] Arturo Vallarino said it was possible.

[De Gruber] Listen, I understand Arturo Vallarino said that if the Molirena members were expelled from the government, they would try the president. I ask him: Why didn't the Christian Democratic Party think that way when they left the government? The president has the power to dismiss or appoint whomever he chooses.

[Reporter] Mrs. Mireya, you said interests have prevailed within Molirena, but they say the Arnulfists....

[De Gruber, interrupting] I must warn you that I did not say the interests of Molirena as a party have prevailed over those of the nation.

[Reporter] Under what circumstances would you negotiate with Professor Carles?

[De Gruber] We are ready to talk to all parties that want to come and talk to us. We are ready to talk to all parties except one. [end recording]

Presidential Candidate Carles on U.S. Bases

PA2501153294 Panama City Radio Soberana Civilista in Spanish 1330 GMT 24 Jan 94

[Interview with Ruben Dario Carles, Change 94 Alliance presidential candidate, by Radio Soberana owner Alonso Pinzon and reporters Blas Julio and Juan Ramon Martinez at the studio in Panama City; from the "Crossfire" program; monitored in progress—live]

[Excerpt] [Passage omitted] [Pinzon] There is a question people are waiting for you to answer, and which we cannot avoid, and it has to do with the bases. Panama now must face the fact that the treaties will expire on the year 2000. No one has had the courage to speak up as Professor Carles has with regard to the bases, which are assets. We would like Prof. Carles to tell us what he will

do with regard to the bases, what will be his government's initiative should he become president.

[Carles] Definitely, I believe the next government will face a very important period, perhaps the most important in the country's history. One of its main issues will be the operation and functioning of the Canal, the appropriate use of the reverted areas, and the decision on possible negotiations with the United States for leasing some of the sites the U.S. Army has occupied until now, and which must be vacated, according to the treaties.

I think we must stop talking nonsense. The United States has rights according to the neutrality treaty signed by Omar Torrijos—and the Democratic Revolutionary Party, PRD—with the Carter administration. The U.S. Government has the following privileges according to the Nunn and DeConcini amendments: expeditious transit, which according to them means to be at the head of the line, and second, it has a right to intervene and return to Panama whenever it feels there is a justified reason, which it can easily interpret its own way.

I believe if someone occupying the basement or the attic my house must leave because his contract expires, but at the same time he can enter my house any time he wants because I authorized it, then it would be better for me to offer him a corner of my patio, but demanding certain concessions. You see, the Americans.... [pauses] please, gentlemen, let's face it: Omar Torrijos himself said so, he placed us under the Pentagon's umbrella. Why? Because he did not dare speak the truth. He gave the Americans the privilege of entering Panama whenever they fell like—because they are the ones who will determine the circumstances—in perpetuity, from here to eternity.

So, what's the problem? What we could do is tell them: We will lease you a piece of land at Howard airfield, or part of Kobbe. In exchange for that, you will authorize the entrance of Panamanian products, of thousands of tons of sugar, which will create jobs for so many people in the central provinces; thousands of tons of beef, which will benefit so many cattlemen in the interior of the country; more coffee, fruits, tobacco; guarantee the placement of banana shipments. We could also open markets for the Panamanian textile industry, which would help thousands of female operators who can sew top quality garments. We could sell guayaberas, shirts, underwear, pajamas in the United States if we have the quotas. What we could do is exchange a lease contract to operate Howard, for example, for a concession that would permit the hiring of 25,000 to 30,000 Panamanians in textile factories currently not being used at full-capacity. That is what we must look for, gentlemen. Employment for our youths and opportunities for investment and production.

We must say this frankly. We want to negotiate with the Americans. Why talk about nationalism and sovereignty? Torrijos, the Panamanian officers and the PRD were always talking about nationalism and sovereignty, when in fact one of them was a CIA employee, and the other one negotiated a treaty that placed us under the Pentagon's umbrella.

[Pinzon] Would you immediately appoint a commission to take the initiative, to seek a formula, instead of waiting for them to act?

[Carles] Definitely. I already have chosen the three persons who would go to the United States to make contact with U.S. authorities. Don't listen to those who are saying that the gringos are not interested. They say.... [pauses] it is true that some diplomatic officials have said they are not interested, but what do the military forces have to say after all? Who decides? Torrijos already placed us under the Pentagon's umbrella. That treaty was signed by Carter and Torrijos.

[Pinzon] I believe that treaty also allowed them to intervene in 1989, in addition to the blunder committed by the drug trafficker.

[Carles] Of course.

[Julio] There is another interesting topic after the U.S. bases, which the thesis presented by Prof. Carles undoubtedly creates and fosters new hopes in the people that there will be new job opportunities. Prof. Carles, I have witnessed several meetings you have held with Indian leaders. The current problems faced by the Indian communities have turned chaotic, critical, disastrous. The Panamanian Indians claim they have been neglected. You have met with the main leaders of the various Indian communities. What can you tell us about those meetings?

[Carles] Indians are as Panamanian as we are. They have acquired representativeness, and they are very proud of their customs, traditions, and language, which we must respect and promote. They must feel that they are Panamanians, with their own characteristics. That occurs everywhere in the world. Families, even among us, maintain certain traditions, customs, and speak their native language. Once they join the country, respect the laws, and feel that they are Panamanian citizens, we must help them, especially with public services. The government must take care of their needs in education, health, housing, transportation, security, and protect them from vices, drugs, abuses, and criminals. That occurs in Indian communities in San Blas, Darien, Bocas del Toro, Chiriqui, and parts of Veraguas. We must respect them, support them, and help them join society.

The Panamanian Government—not now, but during the past few years—has sketched programs with other countries and international indigenous organizations. The funds, however, are not properly used. Those groups of Panamanians are deceived, as their needs for public services are not met. Millions of dollars were squandered under the military governments to make Indian communities believe they were receiving help. This happened in Veraguas, Chiriqui, and San Blas. We must tell those Panamanians: We have a plan for you, in which you can

participate, and we will do it the right way. Forget it, politics is not eternal. Political campaigns are one thing, and another is working to find permanent solutions to the problems.

I have told those Panamanians in the indigenous groups that I will struggle on their side, respecting their Indian identity. I will help them, not doing what they themselves must do, but support them. It is better not to adopt paternalism, which creates dependency and in the long run does more harm than good, because it corrupts. The Indians and the state.... [pauses] in this case I could get funds from many international organizations, but they must start preparing to work in reforestation activities, environmental protection, ecology. They are a valuable resource, their living conditions are important from the standpoint of ecotourism and tourist attraction. They must participate, and not think that others will do the work for them.

There is a very interesting and important group residing here, which includes doctors, lawyers, sociologists, economists—people who know. But they must start thinking in terms of Panamanians who are going to help their ethnic fellow men. The state must work together with the most capable and well-trained Indians; with those that deserve official support. [passage omitted]

Endara Reports Unemployment Down in 1993

PA2501173594 Panama City Circuito RPC Television in Spanish 2300 GMT 20 Jan 94

[Report by Alvaro Alvarado from the "The RPC Television News" newscast]

[Text] According to preliminary figures from the Statistics and Census Office of the Comptroller General's Office, unemployment dropped in 1993. President Guillermo Endara and Comptroller General Jose de los Santos Chen Barria unveiled the report today. The unemployment rate in 1988 was 16.3 percent. Five years later it is 12.5 percent, reflecting a downward trend.

[Begin Endara recording; in progress] ...a reduction in the unemployment rate. That means more Panamanians are employed. The fact that wages are going up is also very important to the people. The figure that I gave you on per capita income tells you what is happening. Panamanians are earning higher wages. [end recording]

The per capita GDP in 1988 was 755 balboas, whereas this year it 925 balboas, which is a 23 percent increase. Another important aspect is the relationship between wages and the labor sector.

[Begin Endara recording] The increase in wages in each of these segments has been greater than the increase in personnel. The number of personnel has risen as well as wages. [end recording]

The report concluded that areas such as construction, financial establishments, insurance, electricity, gas, and import rights experienced the greatest economic growth.

Roundup of Economic Developments Through 25 Jan

PA2501154794

[Editorial Report] The following is a compilation of reports on Panamanian economic developments monitored through 25 January. Source is cited in parentheses following each item.

Roy Cardoze, director general of Marine Resources at the Commerce and Industries Ministry, said shrimp exports increased 25 percent in 1993, meaning a boost of $50 million to the national economy. Cardoze also reported that fish exports have risen 35 percent. (Panama City LA PRENSA in Spanish 19 Jan 94 p 11a)

Roberto Alfaro, commerce and industries minister, announced on 21 January that the price of gasoline went up 5 cents due to an increase on the international market. (Panama City LA ESTRELLA DE PANAMA in Spanish 22 Jan 94 p a1)

Correction to Molirena Presidential Candiate Interview

PA2501160694

The following correction pertains to the item headlined "Molirena Presidential Candidate Interview," which appeared in the 25 January issue of the Latin America DAILY REPORT, page 18: Second Column, third paragraph, second sentence, reads: ...a political party [Civic Renewal Party] and is a... (correcting editorial notation)

Argentina

Foreign Minister Di Tella's Agenda in Washington Viewed

PY2501182294 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1429 GMT 25 Jan 94

[Text] Buenos Aires, 25 Jan (NA)—Foreign Minister Guido Di Tella will travel to Washington tonight. He will seek a definition on the proposal to transform the Falda del Carmen plant. It was reported that Henry Kissinger's consulting firm is interested.

Di Tella has scheduled a series of meetings to arrange the participation of President Carlos Menem in the summit of the Americas presidents with Bill Clinton, which still does not have a date, to discuss the supply of A4M planes with radars, and to discuss a possible association for the manufacture and sale of the Pampa 2000 plane.

The foreign minister will meet with State Department officials to hear concrete proposals for converting the Cordoba plant, following a U.S. offer of economic and technological assistance.

Depending on the answer, the Argentine Government will analyze other proposals by foreign firms, particularly one from France that arrived during the middle of 1993, and the alleged interest by Kissinger's consulting firm.

It was reported that the company of the former secretary of state has links with a mobile telecommunications firm that won a bid in the interior of the country and expressed interest in installing its headquarters at the former Condor-2 missile project site.

The sources told NA that Di Tella will ask the U.S. firm to define its position on the Falda del Carmen conversion plan so that the government can have "a free hand" to analyze other proposals which have arrived at the Defense Ministry.

The Argentine foreign minister will also meet with Commerce Secretary Michael Kantor, State Secretary Warren Christopher, and Military Affairs Secretary Anthony Lake.

Bolivia

DEA Center for 'Intercepting' Communications Discovered

PY2501180794 La Paz Television Nacional Network in Spanish 1700 GMT 25 Jan 94

[Text] A delegation of deputies headed by [Democratic Socialism Alternative Deputy] Jerjes Justiniano, [Patriotic Accord Deputy] Guido Nayar, and prosecutor Freddy Flores, has confirmed the existence of a DEA center for intercepting telephone and radio communications of [Santa Cruz] Department officials.

The delegation visited a property, allegedly owned by the DEA, where the existence of the center had been reported, at kilometer 11 of the highway to Cotoca.

Free Bolivia Movement To Stay in Coalition

PY2501150494 La Paz Television Nacional Network in Spanish 1700 GMT 24 Jan 94

[Report by Mario Espinoza]

[Text] Foreign Minister Antonio Aranibar today joined the entire Free Bolivia Movement [MBL] leadership in a news conference. The MBL top leaders met during the past weekend to confirm various points, of which the main decision is that they will stay in the government coalition.

[Begin MBL Deputy Miguel Urioste recording] First, to confirm the validity and correctness of the government's strategy and shared power decided at the First MBL National Congress of July 1991, to promote a head-on struggle against poverty and corruption, and to implement profound state reforms.

Second, to reaffirm, after six months of governmental endeavor, the appropriateness, historic opportunity, and necessity to fully comply with the pact for change that we signed with the MNR [Nationalist Revolutionary Movement] on 4 July 1993, correcting our mistakes and those of our allies, and seeking to enhance the performance of the government coalition for the benefit of Bolivian society. [end recording]

The Bolivian foreign minister explained the MBL's belief on the type of country that we have.

[Begin Aranibar recording] This country has all the strength, tradition, and prospects required to progress. It is a country with tremendous difficulties, serious deficiencies, and insufficiencies. Nevertheless, with a government like the current one, with a president like the current one, with a coalition like the current one, and with a party like the MBL, we will progress. [end recording]

Vice President's Father Jailed for Murdering Wife

PY2501030394 La Paz Television Nacional Network in Spanish 0100 GMT 25 Jan 94

[Excerpts] Pedro Cardenas Pinto, 63 years of age, who is the father of Vice President Victor Hugo Cardenas, is being held under arrest in the San Pedro jail for killing his wife Teudosia Alarcon de Cardenas.

Regarding the circumstances of this crime we have a report from the prosecutor, Victor Hugo Serrano:

[Begin recording] According to the police investigation Pedro Cardenas testified that on 23 January at about 0900, while he and his wife were on their way to Pocollita, they got involved in a heated argument.

Unfortunately they appear to have hit one another and at some point, blinded by anger, he killed his wife. [passage omitted] [end recording]

Vice President Victor Hugo Cardenas, who was noticeably affected by this event, had to face the media. He read a brief communique:

[Begin recording] There has been a tragedy involving my father, who killed his wife, Teodosia Alarcon de Cardenas. As a son I feel a great pain. This is a tragedy for both the Cardenas and Alarcon families. Along with my brothers and sisters, deeply grieved, I pray the Lord for the soul of my stepmother. Above my condition as son there is my duty as a citizen and official who respects the law and seeks justice. I leave in the hands of the appropriate officials the clarification of this event and the determination of the appropriate responsibilities, being aware that in my position as an official I will never allow this position of authority to prevail over or interfere with in the strict fulfillment of the law. [end recording]

Brazil

Cuban Embassy Denies Collor To Be Official Government Guest

PY2401172994 Madrid EFE in Spanish 1309 GMT 24 Jan 94

[Text] Brasilia, 24 Jan (EFE)—The Cuban Embassy in Brazil has categorically denied that President Fidel Castro officially invited his fired former colleague, Fernando Collor de Melo, who travelled with his wife Rosane over the weekend to vacation on the island.

Cuban Ambassador Jorge Alberto Bolanos assured Foreign Minister Celso Amorim that the alleged invitation does not exist, to the extent that the Collors will not be lodged in any of the official or special guest houses that the government owns on the island.

A source close to Collor has admitted in a round about way that an adviser of the former president was the origin of the rumors. The former president will also visit France, but he will not be given any exceptional honor.

The rumor that Collor was going to be treated as a chief of state in Cuba caused a lot of concern in Havana, so much so that the consul in Sao Paulo, Rafael Hidalgo, was asked to visit the leaders of the Workers Party (PT, leftist) to express an energetic denial.

The visit took place while a letter was on its way to Fidel Castro from Luis Inacio Lula da Silva, the PT's leader and presidential candidate, in which he expresses surprise and regret over any special reception for the former president, although he also admitted the possibility that the rumor originated within Collor's advisers, who are very active in their campaign to reinstate him.

Article Views How Budget CPI Has Changed Political Habits

PY2501180694 Sao Paulo FOLHA DE SAO PAULO in Portuguese 22 Jan 94 Section 1 p 3

[Article by Sao Paulo Governor Luiz Antonio Fleury Filho, Brazilian Democratic Movement Party, PMDB]

[Text] The way the CPI [Congressional Investigating Committee] unfolded is the most conclusive proof of a change in Brazilian political practice. In former times, the CPI would not have even been instituted or, had it been instituted it would have come to nothing. Had it not fizzled out, it would have been suspended or killed on this and that pretext. In the end, it would have fallen into oblivion before the culprits were identified, much less punished.

Let us now compare this gloomy scenario with the reality of openness, clarity, correction, and balance that has characterized the work of the CPI. Which leads us to just one conclusion: The CPI is not the cause, but rather the consequence of the change in Brazilian political habits.

Moreover, this case is not the only one. The CPI on [Former President Fernando] Collor's government served as precedent for the Budget CPI. Optimists were then outnumbered by skeptics but, in the end, the reverberations of the outcome surprised everybody. It goes without saying that such a deep change entails a fair dose of suffering. The reports on the CPI contained attempts to explain—which convinced no one—examples of powerful men being publicly humiliated, and details of voters' disappointment. Some even considered the CPI a threat to politicians. It was argued that a tidal wave of charges could prompt an overgeneralization, branding all politicians—guilty and innocent—alike.

If such a risk existed, it was averted. The CPI exalted Brazilian politicians. A few were exposed, but many grew in stature, beginning with CPI chairman Senator Jarbas Passarinho and CPI rapporteur Deputy Roberto Magalhaes. The most praiseworthy achievement of these outstanding Brazilians was their presence of mind and balance. They ensured that everybody had the right to a defense. They never allowed the CPI to become a witch hunt. If there were injustices, they arose from the natural imperfection of human judgment.

Political parties also stood to gain from the CPI, starting with the PMDB. From the very beginning, its representatives in the Chamber of Deputies staked their good reputation, and the invariably decisive number of their votes, on the CPI. An example, among many, of impeccable behavior was that of Roberto Rollemberg, chairman of the PMDB in Sao Paulo. If a negligible minority of congressmen have been found guilty in the final CPI report, the only line to take is to accept the verdict and expel them from the party. There is no alternative. There has been a shift in political habits in

Brazil. As a final lesson, the CPI showed us that the most vulnerable points of Brazilian legislation must be urgently corrected.

Now is the time to do so. The constitutional reform enables us to implement mechanisms that will prevent (or at least make more difficult) a repetition of such events. Changing the rules that govern parliamentary immunity, raising bank confidentiality for all those who hold an elective post, implementing a new strategy for drafting the budget, incorporating the mixed district system [changing the election system to base representation on units of local government, i.e. counties], and creating a vote system to enable the dismissal from office, among other measures, will enhance the management of public money. An ounce of prevention is worth a pound of cure. May corruption be forever banished from the national budget.

Poll Shows People Agree to Dismissal of Lawmakers

PY2601024194 Sao Paulo FOLHA DE SAO PAULO in Portuguese 23 Jan 94 Section 1 p 5

[Text] According to a poll made by Datafolha on 19 and 20 January, most people in the electoral strongholds of four of the 18 lawmakers on the black list of the budget CPI [Congressional Investigating Committee] agree with their dismissal. The poll requested opinions on PMDB [Brazilian Democratic Movement Party] deputy for Sao Paulo Manoel Moreira, independent deputy for Bahia Joao Alves, PFL [Liberal Front Party] deputy for Pernambuco Ricardo Fiuza, and PMDB deputy for Maranhao Cid Carvalho.

Manoel Moreira obtained the highest number of opinions in favor of his dismissal (78 percent). He is known to 92 percent of Campinas (Sao Paulo) voters, which is his main electoral stronghold. Among those polled, 58 percent believed they were well informed on his involvement in the charges of budget corruption, while 55 percent said his work in Congress had brought no benefit to the city.

Deputy Joao Alves, against whom the main charges of involvement in the scandal have been pressed, obtained 68 percent of opinions in favor of his dismissal. The poll was made in Itarantim (Bahia), one of the various cities in which he obtained a significant number of votes in the last elections.

Also in the case of Alves, the majority of those polled (35 percent) believe that his work as lawmaker has not produced any benefits for the city, where 99 percent of those polled know him. However, he obtained the highest percentage of opinions that his work produced much benefit to the city (26 percent). None of the others surpassed the 10 percent mark.

In Recife, 74 percent of voters believe that former minister Ricardo Fiuza must be dismissed. Among those polled, 49 percent said that his work had not produced any benefit for the city, where he is known by 81 percent of the people polled.

Voters were more benevolent with Cid Carvalho, whose resume registers a dismissal under the terms of the AI-5 [Institutional Act No. 5]. He obtained the lowest number of opinions in favor of his dismissal.

The poll was made in Imperatriz (Maranhao), where he was known by 93 percent of those polled. The majority (54 percent) have learned about the charges against him, but only 17 percent consider themselves well informed.

Congress Urged To Approve Dual-Purpose Military Goods Bill

PY2501145794 Sao Paulo GAZETA MERCANTIL in Portuguese 24 Jan 94 p 9

[Article by Maria Helena Tachinardi]

[Text] The government is waiting for Congress to approve a bill to establish controls on the export and import of dual-purpose military goods (for civilian and military purposes and directly linked services) prior to negotiating our entry into the Missile Technology Control Regime (MTCR), an organization created by a group of countries in 1987 to control the export of technologies and systems that can contribute to the proliferation of missiles capable of carrying nuclear warheads.

Draft bill 2530/92, which is included in the executive branch message 36/92, has already been approved by the Chamber of Deputies Economy Committee and has a preliminary favorable opinion of coordinator Fabio Feldmann, of the Consumer Defense, Environment, and Minorities Committee. His advisers state that the report will be finished by the end of the month and will be included the amendments proposed by the Navy Ministry last week. The draft was also sent to the National Defense, Science and Technology, and Constitution and Justice Committees.

Having been approved by two committees—because the Foreign Ministry already has the approval of the Environment Committee—the government will now ask for very urgent discussion of the bill using a procedure that sends the bill directly to the plenum without passing through other committees.

Diplomatic sources have stated that the government wants to increase Brazilian credibility before the international community. To become a member of the MTCR, Congress must first approve the bill controlling the export of dual-purpose materiel. Congress must also ratify the quadripartite nuclear safeguards agreement among Brazil, Argentina, the Brazilian-Argentine Agency for Accounting and Control (ABACC), and the amendments to the Tlatelolco Treaty that ban nuclear weapons in Latin America. The Senate Foreign Relations Committee postponed voting on both items last week.

A diplomatic source commented: "Brazil's participation in the MTCR comes under the nonproliferation policy." By approving the bill, Brazil will be prohibited from passing technologies received from industrialized countries to countries considered untrustworthy, such as Iraq, North Korea, and Libya.

The bill sent to the Chamber of Deputies in August 1992 provides for the creation of an international importation certificate by which importers commit themselves to refrain from exporting certain goods without previous authorization of the appropriate Brazilian authorities. The bill also creates a delivery verification certificate to confirm the entry of the product into the importing country. The bill anticipates—under the jurisdiction of the president of the Republic—the creation of a permanent interministerial commission comprising representatives of various ministries.

The position of executive secretary will be filled by the Strategic Affairs Secretariat (SAE).

In his preliminary report, Fabio Feldmann (PSDB-SP) [Brazilian Social Democracy Party-Sao Paulo] says: "Military materiels, such as ammunition and explosives in any of their diverse forms, require strict controls on their handling, transport, and storage. [no closing quotation marks as published]

* DPF Sets Drug Seizure Records in 1993

94WD0162Z Brasilia CORREIO BRAZILIENSE in Portuguese 1 Jan 94 p 8

[Article by Carlos MacArthur: "DPF Beats Records in Drug Seizures"]

[Text] For the Federal Police Department [DPF], 1993 was the year of drugs. The volume of drugs seized between January and November was three times higher than in all of 1992. And the big champion was cocaine at 8,000 kg. The biggest cocaine seizure occurred in Rio Grande do Sul when a single operation by the Drug Enforcement Division (DRE) took two metric tons of the drug out of circulation.

According to the DRE's director, Sergio Sakon, the increase in drug seizures results from the fact that Brazil has become the main exit route for cocaine produced by the Colombian and Bolivian cartels. Sakon points out that Brazil has a very wide range of ports through which 95 percent of Brazil's exports pass. The traffickers take advantage of that to conceal the drug in logs and even in electrical transformers. Moreover, many ships wait outside Brazil's territorial waters for small boats or helicopters to bring them the merchandise, which will then be sold on the U.S. or European market.

Brazil's neighbors in South America are Peru, the largest producer of coca base; Colombia, the biggest refiner; and Bolivia, a big producer. All of them take advantage of the lack of surveillance and of border posts, especially in the Amazon Region, to transport the coca base.

In 1993, the DRE intensified its cooperation with international organizations and foreign governments for the purpose of controlling drugs. Thanks to exchanges with Germany, Great Britain, and the United States, Federal Police agents have been attending advanced training courses abroad, and foreign experts have visited our country. In Sergio Sakon's opinion, the results are visible in the considerable number of "mules"—independent couriers—arrested in 1993 before they boarded aircraft at the international airports in Rio de Janeiro and Sao Paulo.

Operations Cover Entire Country

Inroads into gangs of drug traffickers in 1993 were not restricted to just one region. The various operations resulted in the seizure of coca base and cocaine from north to south: two metric tons in Porto Alegre (Rio Grande do Sul), 90 kg in Mato Grosso, 1,100 kg in Belem (Para), 220 kg in Fortaleza, 550 in Manaus, and 200 kg in the Mato Grosso town of Nova Olimpia.

And in Amazonas, Federal Police destroyed 80,000 epadu (Brazilian coca) plants growing on four plantations. The choice of Amazonas for planting Brazilian coca is explained by the region's climatic conditions and the area's large expanse, which makes access and policing difficult.

The various operations taking place in 1993 included the destruction of 2,139,000 marijuana plants in the Sao Francisco Valley and the Pernambuco back country—the equivalent of a little over two metric tons of the drug. Those operations, known as "Monte Santo," "Ouricuri," and "Independence," took place with the cooperation of the Army, whose troops helped eradicate the plantings discovered in the Northeast Region.

Amphetamines Gaining Ground

A growing concern among authorities in 1993 was the appearance of large amounts of amphetamines in the drug market. Although centers of use were detected in most regions of the country, the southern states seem to have the largest number of laboratories. Following an exhaustive investigation lasting more than three months, the Federal Police succeeded in closing two illegal laboratories, one in Campinas in Sao Paulo State and the other in Florianopolis.

The largest seizure of amphetamines involved 300 kg of MDA, whose effects are not well known but which can be manufactured on a large scale at a reasonably low cost. Closing down the laboratory in the capital of Santa Catarina put an end to a gang with branches in the states of Mato Grosso, Para, and Rio Grande do Sul and left hanging the suspicion that there has been a new escalation of drugs in our country.

Battle Against Illegal Prospecting

The Operations Department of the Federal Police took action in the Amazon Region in 1993 to combat more

than the drug traffic. At the very start of the year, Operation "Catrimani" arrived in the Ianomami area to evict prospectors and conduct a survey for the purpose of beginning Operation "Free Forest," which removed more than 4,000 prospectors from the reservations beginning in February. The result was the seizure of three aircraft and a large quantity of fuel.

The work continued when the Mato Grosso superintendency stepped in to evict lumbermen and prospectors from Nambiquara Indian reservations. The greatest destruction there was in the protected areas of valuable timber species such as mahogany and cherry wood. Many weapons and large amounts of ammunition were seized.

In southern Para, two operations took up a good part of the year as agents looked for clandestine radio stations used in the drug traffic and investigated slavery, chiefly involving underage girls forced into prostitution.

Colombia

Gaviria Interviewed on U.S. Troop Presence

PA2501171494 Santa Fe de Bogota EL TIEMPO in Spanish 21 Jan 94 pp 1a, 8a

[Interview with Colombian President Cesar Gaviria by unidentified EL TIEMPO reporter; place and date not given]

[Text] [EL TIEMPO] The Council of State, through its new president, Magistrate Amado Gutierrez Velasquez, sent you a letter on Wednesday 19 January in which it requested information regarding the constitutional and legal reasons behind the presence of U.S. troops in different parts of our country. Is the president willing to give out that information?

[Gaviria] More than that. I have given instructions for the Defense Ministry to give out all the information it has on the temporary presence of U.S. troops in the country. The government is willing, as it has always been, to fully cooperate with the Council of State, not only by turning over documents but also by making the necessary explanations to clear up this matter.

[EL TIEMPO] As for the presence of U.S. troops in Juanchaco, why did the government not ask the Senate or the Council of State for authorization as the National Constitution requires?

[Gaviria] It is clear that the government believes the presence of U.S. troops or those of other countries that enter Colombian territory to provide technical and training assistance and that observe international agreements does not violate the Constitution.

The legal base for this type of exercise is the Inter-American Reciprocal Assistance Treaty (TIAR) which is currently in effect. It was signed by Colombia and approved by the Congress of the Republic in 1947. This treaty was followed by the Mutual Defense Assistance Agreement signed on 17 April 1952. These types of military missions are carried out in Colombia based on legal documents that have been in effect since the middle of the century.

As for the joint military engineering exercise taking place in Juanchaco—in which neither military personnel [as published] nor warships are participating—there is a memorandum of understanding and an agreement signed by Defense Minister Rafael Pardo and U.S. Ambassador Morris Busby on 29 October 1993. These instruments lie within the framework of, among others, the TIAR. They specify that the missions will be joint military engineering exercises for training purposes, which will lead to the construction of various projects for community use. Other similar agreements exist. One of them has to do with the exchange of military personnel, another has to do with the integration of the radar network located in the Caribbean, and another is aimed at expanding the naval river fleet.

Moreover, within the same framework of the TIAR, there have been various joint exercises with military units from various Latin American countries. We can mention the well-known naval operations called Unitas, 34 of which have already been held. They have been held every year since 1959 in Colombian territorial waters, as well as in other countries. Naval units from various countries are trained with regard to the joint procedures that would be followed in case of an attack from outside the continent. A landing exercise has taken place each year since 1962 at a place known as La Cangrejera on the Atlantic coast. In 1983 two exercises took place: one in Tumaco and another in San Andres. In 1991 and 1992 exercises took place in the vicinity of the Bahia Malaga Naval Base. They were joint exercises with the participation of U.S. and Colombian soldiers among others.

Therefore, by virtue of the fact that at the time TIAR was approved by the Congress, the Defense Ministry, and all exercises have been carried out on these same legal assumptions and never has anyone objected, I do not consider it necessary to request authorization from the Senate, or request the opinion of the Council of State, or inform any other authority, the same way it was not done in the past with Unitas and other similar exercises.

[EL TIEMPO] But do you believe Mr. President that the country is so naive as to believe that 150 men from the United States are needed to build a small school?

[Gaviria] Of course not; all these projects can be done by the Colombian State. But here lies the mistake. These gentlemen are military engineers and have come here to carry out joint exercises with Colombian military forces. The idea is to teach and practice, to share technical experiences, to solve logistical and communications problems, which eventually our men would meet in a situation of war. Instead of expending energy building or making useless things, they dedicate their energy to civic and solidarity objectives. The idea is to take advantage

of the joint military engineering training and at the same time benefit the area and the community.

[EL TIEMPO] Does the presence of U.S. soldiers in Juanchaco violate Colombian sovereignty?

[Gaviria] The president does not see it that way. The U.S. military engineers are in an area totally under the control of the Colombian Navy and carry out their work under the supervision of the Armed Forces. I must also insist that the presence of military missions, doing civilian work, is covered by international agreements that are currently in force.

The problem is that many stories have been weaved around this. In fact, the EL TIEMPO Sunday edition highlighted the lies that have been used to attack the people's good faith. I have even heard that a U.S. base will be built in Juanchaco to replace the ones in Panama, or worse yet, that a new transoceanic canal is being designed. Good gracious! One needs to be very naive or very ill- intentioned to spread stories such as these that make no sense.

All this uproar leads me to wonder that once studies are completed, which both the Council of State and the Prosecutor General's Office are doing, the country must reflect and decide whether or not it wants this type of assistance in the future. My personal opinion is that if one believes that this type of assistance is an affront to our sovereignty, one is closing the door on something that is basic to making our Armed Forces more professional. Not only that, but we would end cooperation, equipment supply, maintenance, and intelligence that allow us to fight crime.

[EL TIEMPO] President, but Juanchaco is not the only case. What were the U.S. planes that overflew Barranquilla this weekend up to?

[Gaviria] According to what the Military Forces General Command and the FAC [Colombian Air Force] reported to me, the weekend Barranquilla overflights had been legally authorized earlier. The Civil Aeronautics Board, through the Directorate of Air Operations, had information on the Atlantic coast areas that this type of aircraft was going to overfly.

Colombia, in its fight against drug trafficking, receives support from the United States and other countries. We do not have all the equipment or the required technology to support with technical intelligence the struggle against drug trafficking. On the basis of current agreements that seek to repress illegal drug trafficking, the Defense Ministry requests, when conditions warrant, the support of U.S. planes that are specially equipped to detect airplanes that have not filed a flight plan. It is worth mentioning that overflights by U.S. airplanes are authorized by Decree No. 1692 of 1992. The overflights are to inform the Colombian authorities on the presence of unauthorized planes and that any other measure, such as chasing these airplanes, is exclusively the responsibility of the FAC and other national authorities.

You might be asking yourselves why the air traffic controllers did not know? Because there are ongoing investigations of air controllers involved in drug trafficking. There are also people who are interested in stirring up false sovereignty debates, encouraged by dark sponsor.

If we are concerned about defending our air space sovereignty, the true threat does not lie in joint operations with the help of friendly countries. Danger to sovereignty, to Colombian society, and air security arise with the hundreds of illegal flights, without flight plans, and with perverse motivations, carried out by gun runners and drug traffickers over our territory. The authorized overflights are precisely an act of sovereignty to prevent our air space from being used with impunity by Colombia's true enemies.

[EL TIEMPO] How many air surveillance radars has the United States installed in Colombia? Who operates them and who uses the information they collect?

[Gaviria] Currently, the United States has installed four radars. The locations, facilities, and equipment are under the command, operation, and responsibility of Colombian military authorities. Some operate with the technical assistance of U.S. civilian organizations, and others with the technical assistance of U.S. military personnel. The radars' purpose is precisely what I talked to you about earlier—that is, to use technical means to enforce control, surveillance, and sovereignty. The information gathered is at the disposal of the Colombian Armed Forces, which uses it to plan operations. Colombia has always pressed the international community to obtain more equipment, which serves to enhance our intelligence work. I wish we had more radars and more technical assistance in these matters.

[EL TIEMPO] Some days ago, you said the U.S. military operation in Juanchaco was "humanitarian" in nature. Do you still feel that way?

[Gaviria] To be precise, I would be more accurate to talk of it as a solidarity or civic operation. I feel that building a hospital or a school, like the U.S. military engineers are doing, as a by-product of the joint exercise is a task that entails goodwill, and as the Juanchaco residents have said, it benefits the people of the zone where it occurs.

[EL TIEMPO] Is there any relation between the war against the Cali Cartel and the Juanchaco operation? Do the military operations in Juanchaco include building and operating radio beacons that seek to control drug trafficking?

[Gaviria] I believe I have stated with sufficient clarity that the Juanchaco activities, which stem from the memoranda of agreement and understanding signed between Defense Minister Rafael Pardo and U.S. Ambassador Busby, have no other purpose than the one announced: the joint implementation of military engineering projects based on reciprocal assistance treaties. Moreover, in view of the evident needs of the people of

that area of the country, the Defense Ministry and the Valle Department Governor's Office signed a contract last December to build a landing strip in Juanchaco. The Codazzi Military Engineers Battalion is implementing that project. Although this project is being carried out simultaneously with the ones mentioned earlier, it has no connection with the project the U.S. soldiers are implementing.

All of this falls within the framework of the Colombian Constitution and laws. Some people, who are doubtful, have legitimate concerns. Others, who vehemently defend the notion of a U.S. invasion, are espousing a false nationalism that comes from bad information or shady interests.

[EL TIEMPO] Why have there been so many contradictions, so much secrecy, so much mystery in the handling of this case?

[Gaviria] No. There has not been any of that. From the start, I reported the activities going on in Juanchaco. If you compare the information the government issued in December to current information, it is exactly the same. The public is aware of the scope of the operation. Armed Forces officers have been ready to speak with reporters, and some reporters have even visited the site. As I said, I think it is legitimate that doubts and questions are expressed at political and public opinion levels, and the government has the obligation to answer them. I also think, however, the country is the victim of an exacerbated and ill-intended distortion of events. I am not ruling out the existence of a misinformation campaign aimed at creating sentiment against international cooperation in the struggle against drug trafficking.

In the past, drug traffickers have manipulated a false sense of nationalism to undermine the nation's purpose of ridding itself from the slavery that criminal organizations have tried to impose on it. We cannot be stooges for those who hide behind our flag to evade the law and protect their illicit businesses.

[EL TIEMPO] Last week's issue of SEMANA referred to a conversation with Prosecutor Gustavo de Greiff and U.S. Attorney General Janet Reno, in which the possibility of pardoning the members of the Cali Cartel was mentioned. How do you feel about it?

[Gaviria] Regarding your question, the country knows we are studying the topic either through consultations between presidents or contacts the foreign minister has made. We will make a decision at an opportune time. A decision will respond to the interests of Colombia and America.

Concerning the private conversation between the prosecutor general and Ms. Reno, I must inform you that the information I have is quite different from that published in the weekly in question. Never, for example, was there any mention of the word pardon. A pardon is a moral and legal impossibility of which neither the president nor the prosecutor could approve under any circumstance.

For obvious reasons the president of the Republic cannot expand on the issues discussed in that private meeting, but he is convinced that the terms of the conversation differ from the reports that were published.

What must be stressed is that after that conversation Prosecutor General De Greiff and the U.S. Justice Department managed to settle most of the differences that had emerged during the process of legal cooperation, whereby the proof gathered in the United States against drug traffickers was collected for the Colombian courts.

Nevertheless, because I am already discussing this topic, allow me to tell you that the president of the Republic has a high opinion of the prosecutor general, who has become one of the moral pillars of our society. With his legal wisdom and administrative skills he has built the Prosecutor General's Office, which was created by the 1991 Constitution to establish system of litigation in our country.

Moreover, he has done much more than this. He has bravely confronted the threats of criminals who see in the prosecutor general a respresentative of Colombians who refused to allow themselves to be defeated and were not frightened by the onslaught of violence. The prosecutor works shoulder to shoulder with the president of the Republic and his staff to develop and consolidate policies, such as the policy of submission to justice, which has allowed a tangible reduction of the terrorist phenomena associated with drug traficking. More recently, the prosecutor has made progress in bringing to trial, sentencing, and jailing several criminals.

Of course, there have been times when we held different points of view—in short, different opinions concerning the way to handle particular cases. Because of the good relationship that exists between the president and the prosecutor, and because of the need, which is acknowledged by everyone, to work as a team, these differences have been eliminated for the good of the country.

[EL TIEMPO] Are the differences the public perceives between the Presidency and the Attorney General's Office concerning the surrender process for the Cali Cartel real or imagined?

[Gaviria] They are normal within the sphere of responsibility of each of the institutions. The Attorney General's Office, on one hand, strictly fulfills the dictates of the Penal Code as it pertains to the rights of defendants. The government, on the other hand, also insists on implementing strict penalties and on granting the necessary guarantees of security to those people who surrender to justice.

I believe I share the prosecutor's views concerning the drug lords' eventual surrender to justice. Moreover, if one member of the drug trafficking hierarchy wants to adhere to this policy, he must be sent to a top security jail. Also, if he wants to obtain from the government the implicit benefits of the submission policy, he must cooperate with the authorities and confess.

[EL TIEMPO] The way these drug traffickers are being held in custody seems to be one of the reasons for disagreement. To what extent is the government's severity due to what could be described as "La Catedral Syndrome" [reference to Envigado maximum security prison in Medellin, also known as La Catedral, considered to be one of the most secure prisons in Latin America]?

[Gaviria] The government has learned from past experiences, good and bad. In turn, the government must make sure that members of society who surrender to the authorities do not mock the administration of justice. The only way to control eventual abuses is to keep the inmates in high security prisons, protecting their rights and giving them all proper guarantees, but also having them do their duties as inmates.

[EL TIEMPO] The U.S. Government reportedly has made statements and applied pressure regarding the Cali Cartel. It has also been said that a certain indulgence of yours toward Washington is linked to your campaign for the post of OAS secretary general. What have you to say about this?

[Gaviria] The United States is not the only one that wants us to work with the same zeal with which we defeated the now virtually extinct Medellin Cartel. Colombian society is also committed to this effort, with or without the international community's requests. Colombia must continue to firmly combat drug trafficking. Colombia must wage a life-or-death struggle against drug trafficking with tools such as surrender. I am firmly determined to maintain this policy. I have stood firmly against drug trafficking throughout my public life, when I was a congressman, during my campaign for president, when I took up Luis Carlos Galan's banner, and as president of the Republic. The suggestion that the president of the Republic's view of this problem is influenced by Cesar Gaviria's eventually running as candidate for the post of OAS secretary general is evil and ill-intentioned. The country is familiar with my position regarding drug trafficking.

[EL TIEMPO] Behind the probable surrender of the topmost leaders of the Cali Cartel and other drug trafficking organizations lies the offer of those who control a large part of the drug supply to the United States to dismantle the business. Apart from putting a few drug traffickers behind bars, is it not important for the government to dismantle a business, whose profits can run in the millions, and the country's most complex criminal organization?

[Gaviria] It is the duty of this government, the Prosecutor General's Office, and the Attorney General's Office to find a good judicial solution to break impunity and to have the leaders of criminal organizations cooperate with justice, go to prison, and serve sentences that serve as deterrents. If, in addition, their illegal activities are dismantled, I am sure the Attorney General's Office can negotiate sentences in accordance with the Penal Procedure Code.

In due time, the Prosecutor General's Office itself will be able to assess the cooperation of those who submit themselves to justice. This policy must be accompanied by the combined actions of the intelligence services, the public forces, the Prosecutor General's Office, and the Attorney General's Office against criminal organizations—actions that will make it possible to dismantle their illegal activities and build up legally sound cases.

I want to go further, however. It must be crystal clear to the country that it is impossible to coexist with the mafias, either those that perpetrate terrorist actions or those that hide beneath a peaceful appearance. Every Colombian must be watchful to prevent a climate of relative complacency toward drug trafficking from leading us to painful situations like the ones we experienced in the past. I am sure this view is shared by the Prosecutor General and the Attorney General. Our shared objective is to rid Colombia of the criminal drug trafficking organizations.

[EL TIEMPO] In Thursday's "Counterescape" column, and in relation to the attempt on the finance minister's life and renewed guerrilla activity, journalist Enrique Santos Calderon questioned the military intelligence services' efficiency and the Armed Forces' capability to counter these attacks. What do you have to say about this?

[Gaviria] The Armed Forces have substantially improved their ability to deal with organized crime. In fact, we can say Colombian society and the Armed Forces are on the offensive and have been defeating subversion and violence.

A great effort has been made to improve the operational facilities of the Army and the police. Their numbers have been increased, and their members have become more professional and been given better equipment. In addition, the resources at the disposal of the state's security and intelligence services have increased in number and been reinforced. The results have been overwhelming. The guerrillas' military actions have decreased in number, their power to undermine the national wealth has decreased, and the number of kidnappings have decreased, among other significant variations in the guerrillas' behavior.

The dismantling of the Escobar cartel and the elimination of its leader, the world's most notorious criminal and drug trafficker, demonstrate the Colombian Armed Forces' ability to deal with organized crime.

As a result of the public force's permanent activities and the results obtained in the struggle against subversion, subversive organizations have been perpetrating terrorist actions to cast a false image of their armed power. In addition, in view of their complete political isolation, in this pre-electoral time they can do nothing other than

perpetrate terrorist actions to make themselves known as an active organization. Nevertheless, and despite the serious events of this week, the guerrillas are clearly losing their emphasis on politics, and their actions are becoming more and more like those of a mafia or organized crime.

The attempt on the finance minister's life and the use of terrorism indicate the guerrillas' military weakness. We coincide with columnist Santos Calderon in that, to deal with these people in this new way, it is mandatory to keep reinforcing the intelligence services' work and, of course, to seek greater support for the authorities among the people.

[EL TIEMPO] Mr. President, when will the candidacy for the OAS secretary general be decided?

[Gaviria] Colombia's eventual candidacy for the OAS secretary general must be explained as a consequence of the reality of our international relations and our incorporation into the world community of nations, not as an expression of a president's personal aspiration.

As for your question, we are considering the subject, either through consultations among presidents or the foreign ministers' contacts, and the country knows this. We will make a decision when the times comes. Such a decision will respond to the interests of Colombia and all of America.

Roundup of Economic Developments Through 25 Jan

PA2501175594

[Editorial Report] The following is a compilation of reports on Colombian economic developments monitored through 25 January. Source is cited in parentheses following each item.

Although construction has been the leading economic sector in Colombia over the past few years, during the first nine months of 1993 construction throughout the country decreased by 26.67 percent compared to the same period in 1992. (Santa Fe de Bogota EL NUEVO SIGLO in Spanish 14 Jan 94 pp 1, 18)

The National Administrative Department of Statistics, DANE, polled 7,000 homes in 148 rural municipalities in the Atlantic, eastern, central, and Pacific regions of the country, with the following results: rural unemployment increased by 0.5 percent between September 1992 and September 1993, going from 4.4 to 4.9 percent; the employed population in those areas decreased by 0.4 percent, and the work force increased by 2.3 percent. The highest levels of rural unemployment were found on the Atlantic coast at 5.5 percent; the Pacific came in second at 5 percent; the eastern sector was third with 4.7 percent, and the area with the lowest unemployment is central Colombia (no figure given). (Santa Fe de Bogota EL TIEMPO in Spanish 15 Jan 94 p 1B)

Colombia's coffee producers are defying international trade. Taking advantage of a shortage of Colombian coffee abroad, they have decided unilaterally to raise the grain's price artificially from 0.69 to 0.92 cents per pound as of 24 January. (Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 21 Jan 94)

The Colombian Petroleum Enterprise has disclosed that thus far this year Colombia's economy has suffered a loss of $25,000 daily as a result of guerrilla dynamite attacks on the country's oil infrastructure. (Paris AFP in Spanish 0043 GMT 21 Jan 94)

The Bank of the Republic announced on 22 January that the Colombian Government will no longer set the official exchange rate for the U.S. dollar. As of 24 January the sole index will be the Representative Market Exchange Rate, TRM. The bank will also suspend the issuance of exchange certificates, which will deprive exporters of exchange discounts on the income they receive from sales abroad. Finance Minister Rudolf Hommes said that although the TRM will be the sole index, the exchange rate will be based on supply and demand. (Madrid EFE in Spanish 2048 GMT 22 Jan 94)

Finance Minister Rudolf Hommes announced on 21 January that the national budget will be reduced by $462.2 million to avoid putting pressure on the exchange rate. He said the measure is also aimed at presenting a healthy budget to the administration that will take office in August. (Paris AFP in Spanish 0837 GMT 22 Jan 94)

Santa Fe de Bogota newspaper EL TIEMPO published a report to the effect that the Colombian Government will receive approximately $1.5 billion for the privatization of the Bank of Colombia and the sale of the mobile cellular telephone system. (Madrid EFE in Spanish 2248 GMT 24 Jan 94)

It has just been announced that the 401 billion pesos the Colombian Government will receive on 31 January for the sale of the Bank of Colombia will be distributed as follows: 270 billion will go to the central administration; 68 billion to the Financial Institutions Guarantee Fund; and 63 billion will be reinvested in the Bank of Colombia. (Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 25 Jan 94)

Ecuador

Government, Indians Reach Agreement; Clashes Reported

PA2601043794 Quito Voz de los Andes in Spanish 2300 GMT 25 Jan 94

[From "The Voz Andes" newscast]

[Text] Energy Minister Francisco Acosta today reported that the Ecuadoran Government and indigenous organizations have reached some agreements that will reduce the tension caused by the opening of the seventh round of oil exploration bidding.

Minister Acosta said a commission was created with the participation of representatives from indigenous groups, environmental organizations, Petroecuador [Ecuadoran State Petroleum Enterprise], and the Energy Ministry to monitor the development of the seventh round of bidding.

[Meanwhile, Paris AFP in Spanish at 0306 GMT on 26 January transmits a 380-word, Quito-datelined report that adds: "Delegations from several Ecuadoran Indian groups occupied the Energy and Mines Ministry in Quito on 25 January to demand that the government suspend the oil bidding process." The report adds: "In Quito in the afternoon of 25 January, there were clashes between the police and students supporting the Indian demands. Authorities, however, claimed there were no arrests or serious incidents during the protest."]

Roundup of Economic Developments Through 25 Jan

PA2501175694

[Editorial Report] The following is a compilation of reports on Ecuadoran economic developments monitored through 25 January. Source is cited in parentheses following each item.

The Ecuadoran Central Bank has announced that Ecuador closed 1993 with $1.253 billion in international reserves, the highest level reported in the country's history. In a press communique the Central Bank said these figures prove the effectiveness of the government's economic policy because it reduced inflation and strengthened the economy's position abroad. (Quito Voz de los Andes in Spanish 2300 GMT 17 Jan 94)

Paraguay

PRC Delegation Seeks To Increase Trade

PY2501133694 Asuncion ABC COLOR in Spanish 25 Jan 94 p 16

[Text] A PRC trade delegation, comprising 10 businessmen, has been in Paraguay since 22 January. They are seeking to begin a more interesting trade exchange with Paraguay. Nearly 30 Paraguayan businessmen are participating in the round of talks that began yesterday and will conclude tomorrow.

The PRC delegation is visiting several South American countries. They have been invited by the Paraguayan Stock Exchange and Business Chamber.

Xie Jianqun, chief of this delegation and vice chairman of the China Council for the Promotion of International Trade, said they wish to acquire greater knowledge and increase the incipient existing trade exchange. During 1992, China purchased $20 million worth of Paraguayan cotton.

The PRC has 1.170 billion inhabitants and is a potential market for our products whose competitiveness will nonetheless depend on comparative advantages, mainly in the field of transportation.

Jianqun said his country has experienced rapid economic growth in the past few years following the flexibilization of its economic policy. The PRC has changed from a planned to a free market economic policy.

The delegation chief said the PRC last year exported goods worth $195.7 billion and is 11th among the most important world economies. The PRC imports a broad range of products from the world, especially food products.

He said the PRC's greatest South American trade partner is Brazil, from where it imports fertilizers, agrochemicals, and alloys. He said that they can buy anything that is offered to them, as long as the price conditions and other factors are reasonable.

Paraguay is the only country [as published] that has so far not established diplomatic relations with the PRC, which must be considered an important market for our products.

Peru

Air Force Antidrug Operations Spending, Operations Noted

PY2501203694 Lima EL COMERCIO in Spanish 17 Jan 94 p A13

[Text] The Air Force invested 3 million soles in 1993 to control the 17 airstrips and airports in Upper Huallaga, and in infrastructure and equipment for the various groups deployed in the area.

This figure does not include the allocations for flight hours and fuel used by the Air Force for interdiction operations.

Among the Upper Huallaga airports that the Air Force began to control in July 1992 are those in Santa Lucia, Tocache, Uchiza, Saposoa, Bellavista, Juanjui, Tarapoto, Yurimaguas, Sion, Palmapampa (Ayacucho), Izcosazin, and Caballococha (Amazonian Trapeze), Puerto Bermudez, and Pucallpa.

Concerning the Palmapampa airport, which is located in La Mar Province (Ayacucho), the Air Force has controlled it since 1 November 1993.

This airport was very important for drug trafficking in the area, because that area had become a drug trafficking storage center.

The drugs were taken from Upper Huallaga to this area, to be loaded in small Colombian planes that took off in Colombia, crossed Brazilian airspace (Cruzeirodo Brasil zone), and arrived in Palmapampa.

Analyst: Shining Path Does Not Seek Reconciliation

PY2601010894 Lima EXPRESO in Spanish 17 Jan 94 p A15

[Text] The Shining Path does not intend to seek reconciliation in the country, has disarmed itself neither militarily nor ideologically, and is instead trying to become a semi-legal party operating as a shock force against the opposition, subversion specialist Carlos Tapia has said.

Tapia emphasized that the Shining Path faction led by Abimael Guzman Reinoso enjoys government favor, and among other things has been given assistance in organizing a second party congress.

He said that imprisoned Shining Path members of the Guzman-led faction, such as Edmundo Cox Beuzeville, have been allowed to tour several prisons and to promote debates to support the proposal of so-called President Gonzalo.

Tapia said: "The Shining Path was defeated, but it seems that after the beginning of negotiations, Abimael Guzman's leadership has been consolidated, tied to the commitment to organize a second party congress."

"The documents of this second congress are being prepared to make the Shining Path stop engaging in armed actions. It is true that armed actions will end, but no one knows when. A new, stronger Shining Path could reemerge later for a second beginning, and as a weapon for fighting popular movements...," Tapia said.

He added that peace negotiations between the Shining Path and the government are being held behind the country's back.

Tapia believes the government is seeking to strengthen Abimael Guzman's leadership within Shining Path, countering the hardline faction led by Alberto Ramirez Durand, aka "Feliciano."

Guzman's faction, Tapia said, represents the imprisoned Shining Path, while the one led by "Feliciano" is made up of the terrorists who are still free. "They are the ones who plant the bombs," he said. For his part, ex-leftist Senator Enrique Bernales has said that the Guzman group is trying to sell itself in order to eventually gain its freedom and later regroup.

Tapia and Bernales made these statements during an interview on the "En Directo" program hosted by Alfredo Barnechea on Channel 9.

The statements were made in the wake of a letter that Shining Path member Edmundo Cox addressed to Colonel Gabino Cajahuanca, the director of the Miguel Castro Castro prison, asking him for an audience "to inform you about what we have done."

Cox was referring to the meetings he held with imprisoned Shining Path members in other prisons of the country to support the peace proposal by Guzman Reinoso, against the faction led by "Feliciano."

Carlos Tapia, who is a careful observer of the subversion phenomenon, believes that the Shining Path does not seek national reconciliation, and that it maintains its ideological positions, such as "hatred of classes" and its stand against the "legal leftist sector, human rights organizations, popular unions, and nongovernmental organizations."

* La Cantuta May Have Put Fujimori in 'Blind Alley'

94SM0174A Lima QUEHACER in Spanish Nov-Dec 93 pp 8-11

[Article by Alberto Adrianzen M.: "Trapped With No Way Out?"]

[Text] This Christmas may not be President Fujimori's best one. The engineer's presents—and oh, what Christmas presents!—will be the task of solving several problems that he surely never thought would come up.

First of all, the results of the 31 October referendum, which were a real surprise. The government was expecting a result of more than 65 percent, which would enable it to guarantee the future reelection of President Fujimori and finish out the cycle begun on 5 April. In other words, to legitimize and legalize the Fujimori regime itself in a single act. That has not been possible. The new constitution is practically stillborn. In this context, the weakness of the new constitution as a legal basis for Fujimorism is a fact of life.

Secondly, what was going to be the political basis of Fujimorism, an indisputable electoral-legal majority, is also in doubt. The near stalemate and the triumph of the "no" vote in more than a dozen departments have shattered the dream of an overwhelming, undeniable political majority that would be loyal to the president personally. Moreover, there is the uncertainty of foreign and national investors in the face of the election results and the political scandals that will certainly come to light in connection with the handling of the debt papers.

These developments have a variety of consequences. The most important one is the beginning of the presidential campaign for 1995, which shows how fragile President Fujimori's future prospects are. Some sectors are already seeking to build a Fujimorism without Fujimori. Meanwhile, others (such as Daniel Estrada, Ricardo Belmont, and Luis Caceres) are practically in full swing in their presidential campaigns.

The other major consequence is that the opposition and other social sectors have managed to open up new opportunities and place themselves in an expectant situation. This fact is so obvious that even the extraparliamentary opposition, sidelined until very recently, has

managed to raise its head, as evidenced by Belaunde's presence at a rally held not too long ago in the city of Iquitos.

Evidently, President Fujimori's legitimacy and the legality of the political regime inaugurated on 5 April are now being called into question. One indication of this weakness, for example, is the way the La Cantuta case has been unfolding.

Another manifestation is the president's appeal for a national accord. It shows a desire to bring order to a political situation that got out of the government's control on 31 October. The goal is to shift the government's political position with respect to public opinion, which wants consensus and is sick of confrontations,[1] and at the same time to head off the avalanche of constitutional amendments that the opposition and other social sectors are proposing.

La Cantuta: A Political Test

The people who committed the atrocity of La Cantuta certainly never imagined that their actions would unleash a political scandal or give rise to an investigation, much less that the incident would become one of the most disturbing developments for this government. The same group had probably been involved in other actions that were never investigated. One of them, in fact, the disappearance of almost an entire family in Huacho, is quite similar to the La Cantuta case.

Nevertheless, the La Cantuta affair, bravely revealed by the magazine SI, has placed the government on the horns of a dilemma: Either it knuckles under to pressure from the military not to allow a serious investigation of this atrocity, punishing only those who directly participated in the operation, or it decides to face the issue head-on, jeopardizing the so-called military hierarchy and the Armed Forces' perception of Fujimori as their leader.

It should be noted that after the accusations made by Congressman Henry Pease in April of last year, the military, without even consulting the president, decided to take the tanks out into the streets.

Furthermore, the problem of La Cantuta has ceased to be simply a matter of human rights violations; it has also become a kind of political test that will measure institutional and group responses and relationships that are important to this government.

Several institutions are involved in La Cantuta. The first one is the Democratic Constituent Congress (CCD) itself, which, having changed its earlier position in view of the overwhelming evidence, has now demanded that the matter be handled by civilian courts rather than military ones.

Another institution involved is the judiciary, which will have to determine soon, when the prosecutor decides to file charges, whether the La Cantuta affair is a matter of common or military jurisdiction. The military courts' objections to prosecutors' questioning the military personnel allegedly involved in this multiple crime, and their refusal to turn over information to the CCD on the grounds that the matter is outside its jurisdiction, show just how far the stonewallers can go.

The Armed Forces themselves are involved as an institution, and to be perfectly honest, the political survival of the Army's top echelon is at stake, in view of the accusations by General Robles from his asylum in Argentina that they were accomplices in this criminal incident.

There is something more, as well. The solution to the La Cantuta case will also serve to assess the relationship between President Fujimori's government and that of the United States. It is well known that the Clinton administration, ambiguities aside, is anxious for this case to be resolved on the best possible terms as a first step toward changing the command structure of the Armed Forces.

And finally, the relationship between President Fujimori and the military hierarchy, one of the pillars of the regime inaugurated on 5 April, is at stake. President Fujimori's recent confirmation of the commanders-in-chief of the various branches of the military, including the police, and the scandalous exclusion of Parliament from the process of promoting the highest-ranking officers[2] show not only that he has already made one decision—to protect the senior military commanders—but also that there is some instability in the relationship between the military leadership and the president that could result in a coup d'etat or in a change of personnel in that leadership.

For this reason, as we have stated, the La Cantuta case is a true political test. At risk is the autonomy of the aforementioned institutions, as well as the ability of the key players to exert pressure. There is, then, a direct relationship between the institutions' independence and the political power they theoretically wield. The latter is important, given that one of the variables for measuring the authoritarianism of a regime is precisely the degree of autonomy—and therefore power—exercised by these institutions.

If the judiciary decides to stay out of the La Cantuta case or to defer to the military courts, we can conclude, once again, that this institution is not autonomous and, therefore, that either it is a mere appendage of the government or it has no power. The same can be said of the CCD.

This would confirm the notion that the objectives of the self-coup of 5 April were not to reform the judiciary or the political system. Rather, these objectives can be found in the logic of the neoliberal economic model, the antisubversion strategy itself, and the role of the military, as shown in the documents published by the magazine OIGA.[3]

For this reason, the danger of this kind of political development, and of La Cantuta, is that they reveal the

real intensions of power, and therefore, they always end up imposing a "zero sum" logic in which the gains of the victorious are based on the total losses of the defeated.

To put it another way, if the triumph of Fujimori and the military hierarchy in the La Cantuta affair is based on the unconditional defeat of the opposition and greater political control over the institutions of the regime, it entails greater involvement by the military in the government, since it is the military that has actually won the game. Consequently, now the groundwork has really been laid for a transition toward a civilian-military government that could, in the short term, as more incidents such as La Cantuta are revealed,[4] turn into a military government.

That is why, if the results of 31 October represent a severe blow to the future of President Fujimori and his government, La Cantuta reveals a president walking into a blind alley. Mr. Fujimori has ended up entangled in his own alliances.

The question is whether he is trapped for good, in which case he could become an irrelevancy, depending on how things unfold, or whether he will decide to put on a military uniform. The tragedy in all this is that it would not be the uniform of Francisco Bolognesi or Miguel Grau, but that of Martin Rivas or Nicolas de Bari Hermoza. This uniform could quickly take on a black hue. There is, however, another option: changing the military leadership.

Footnotes

1. The surveys conducted by the agency IMASEN immediately after 31 October yielded the following results: About 80 percent thought the Constitution should be amended before being promulgated; 73 percent thought there should be a political accord between the government and the opposition. It should be mentioned that the IMASEN survey was conducted in Lima, one of the government's most important political bastions.

2. Actually, rather than assuage the Army's fears about La Cantuta, the promotions have caused greater consternation. For example, as some news media, including the magazine SI, have pointed out, no one from the artillery, to which Gen. Valdivia belongs, has been promoted to major general.

3. We are referring to the documents published by that magazine several months ago. According to the magazine, the documents, of military origin, mention a political plan to govern this country for at least 15 years, through either a civilian government or a military regime.

4. As we finished writing this article, Channel 9, ATV, reported the disappearance of nine people in Chimbote in May of last year. The operation followed a pattern quite similar to that of La Cantuta. There was an attack in the area, and a few days later nine people suspected of being Shining Path members disappeared. This time the accusations have focused on the Navy, so it is not just the Army that is involved in this kind of action, but another branch of the military as well.

Uruguay

Vice President Aguirre Interviewed on Elections

PY2501203994 Montevideo BUSQUEDA in Spanish 20 Jan 94 p 3

["Summary" of interview with Uruguayan Vice President Gonzalo Aguirre; place and date not given]

[Text] [BUSQUEDA] How would you evaluate the National Party's situation 10 months before the elections?

[Aguirre] I see it as being unconcerned with its future. There is currently a struggle going on for the prevalence of each sector's interests within the party itself. There are many leaders who are worried over their personal situation and their political survival, waiting to see which faction leader can give them relative security or an election guarantee. The Herreraist, Lacalle's, faction is worried about its candidate and the need to constitute a majority within the party. The National Rocha Movement (MNR) is concerned with the same thing. Many leaders from the now dissolved movement For The Fatherland seem to be concerned with finding a place that will guarantee them a political future after 1995. I do not observe a general concern, as it should be, for the electoral triumph of the National Party.

[BUSQUEDA] There are at least six sectors led by important National Party members (Lacalle, Pereyra, Aguirre, Zumaran, Abreu, Ramos) but it is not known how they will vote. Isn't the National Party's supply of candidates too confusing?

[Aguirre] The party has three movements represented at a national level: the Herreraist faction, the MNR, and the Renewal and Victory Movement [MRV]. There are other new groups formed around some leaders who still do not have a national presence. Their intention is form alliances or reach agreements with the existing organized factions. Last 14 December at the Cambadu [Association of Uruguayan Retail Merchants, Bar Owners, and Related Businessman], before 3,000 party members, I said that there are many party members who do not belong to the MNR or to Lacalle's faction, and who would be attracted by a force grouping together those with a common party origin and with a similar vision about the future of the country. I am willing to lead this group. I will not act as a spare tire for anyone, and I am not willing to place everything that I built up from scratch, with a lot of effort between 1987 and 1989, at the service of others.

[BUSQUEDA] Then will you be a presidential candidate?

[Aguirre] I am willing to be a candidate if my political friends so desire.

[BUSQUEDA] With how many candidates will the National Party run?

[Aguirre] At least three. Some citizens will never vote for Carlos Julio Pereyra or for Lacalle's candidate. To force them to vote for one of them would be a bad electoral strategy for the National Party.

[BUSQUEDA] The Herreraist faction estimates that the best electoral advantage for the National Party will be the results of the economic policy. Do you agree with this?

[Aguirre] The best proposal will be that which adopts the wisest approach to the national problems. Candidates must speak not of what has happened, but of what is to come. It is true that the good results from the economic policy will be important for the success of the party. But this success will not come about just because the president or the economy minister keep telling the people that the economic situation is very good. If the people feel that the situation is good, they will recognize this without needing anyone to tell them so, and they will vote accordingly. I nonetheless think that the people, unfairly, continue to perceive the economic situation as bad, even though the great majority of the people are better off at present.

[BUSQUEDA] Why do you think this is so?

[Aguirre] There is a problem with the government spokesmen. They tend not to announce the good news and to stress the unpopular measures. For example, instead of telling the retired workers how good it is that they are better off now than in the past, they are told that they constitute a serious problem for the country. People get mad when they are blamed by their governors of something for which they are not responsible.

[BUSQUEDA] What do you think of President Lacalle's active participation in public acts during an election year?

[Aguirre] The president of the Republic is making an enormous effort, carrying out very intense activity, according to his personality, and perhaps this will help improve the government's image and the party's possibilities. However, in the final stages of the campaign, in the last three or four months, this will not either help or hinder us. The protagonist cannot be someone who cannot be a candidate according to the Constitution. The protagonists must be the candidates. Those who will compete in the race will be those who sign up to run, and Lacalle is prohibited from signing up to run for this race.

[BUSQUEDA] What is the situation of the MRV after former Ministers Ramos and Abreu, and some deputies and other leaders, left the faction?

[Aguirre] From the electoral point of view their estrangement was not important. They brought prestige to the MRV when they held public posts, but they are not backed by any national political current. If not, they should demonstrate it in the elections. In 1989 the people voted for Gonzalo Aguirre. Besides, even though those citizens left, others are coming in. During the rally at Cambadu I had the honor of having Professor Juan Pivel Devoto sitting by my side, as well as Paysandu Mayor Jorge Larranaga, Carlos Rodriguez Labruna [former education under secretary], former Deputy Elias Porras Larralde, and Jose Radiccioni.

Venezuela

President Velasquez Addresses Congressmen

PA2401164694 Caracas Venezolana de Television Network in Spanish 0101 GMT 24 Jan 94

[Speech by Venezuelan President Ramon J. Velasquez to representatives of the Chambers of Deputies and Senate following the announcement of the start of a new period of Venezuelan National Congress regular sessions at the Sol del Peru Room of the Miraflores Presidential Palace in Caracas—live]

[Text] Mr. Senate President and President of the National Congress; Mr. President of the Chamber of Deputies and Vice President of the National Congress; Dr. Felipe Montilla, president of the Senate Commission; Messrs. Senators; Dr. Pedro Tabata Guzman, president of the Chamber of Deputies Commission; Messrs. Deputies; Messrs. Ministers:

I would be lying if I denied the deep emotion I felt when listening to this morning's television debate. I saw in the debate that a new chapter in Venezuelan democracy was opening. All this time I have focused my efforts on fulfilling my duty to democracy, Venezuela, and the National Congress, which has given me enormous responsibility.

With his usual extraordinary voice, Dr. Felipe Montilla reminded me of the origin of that mandate and described the historic national climate of those hours. When I was sworn in I told my fellow members of parliament—where I have spent most of my life as a politician during this democratic stage—that a political storm had led me here and that at any moment the crisis could oust me, but my personal and political ethics would not be discredited. I wanted to fulfill the mandate and I wanted to avoid an interruption in the country's democracy, a process to which the country was committed. I was sure that more important than the painful conflict that brought us together was the Venezuelan willingness to live in freedom. I was also sure of the powers of the democratic process of perfection and correction.

A dictatorship would have been unable to face the crises that the Venezuelan democratic system faced throughout 1992-93. It was a series of political, military, and social factors and it was within a climate of exacerbation, and for many, a climate of defeat and disorientation.

However, above that atmosphere stood Venezuelan society's resolve, which had been tested during that process

and is open to the admission of new political and social forces which are gradually appearing in an increasingly developing Venezuela.

Contrary to other Latin American countries, where traditional parties have attempted to close ranks and exclude the new forces emerging from development itself from political debate and democratic and legal participation, Venezuelan democracy has opened up this participation, allowing new challenges for the country to be stated from their platforms.

In a process currently criticized by many as frustrating, this democracy has accomplished that which certain people were determined to achieve since 1936. From exile, the founding leaders of the democratic process pointed out the need to have a school in each village, a high school in each town, and a university in every state capital, so that through learning we could change the traditional education system and, therefore, change the system whereby the country was ruled by a very small group.

Democracy has allowed this magnificent opening whereby each region designates its governor and every community its mayor. Democracy has gradually led to the growing participation of civilian society. There have been mistakes, failings, corruption and influence peddling, but complaints, lawsuits and democratic society's watchfulness have corrected those defects and created a critical awareness among Venezuelans in response to those negative attitudes. This had to be protected; the democratic process could not be interrupted because to do so would hinder Venezuelan society's end-of-century plans.

If my administration was hesitant and weak, it is because democracy is hesitant and weak. It is hesitant because to make a decision it must consult with all of the sectors; it is weak because it must accept [the will of those sectors], but its weakness is ironclad; it does not break. Only authoritarian regimes can boast a strength that translates into arbitrariness and the will of one person against the community.

When I see the accusations that have been leveled against Congress and against political activity in Venezuela, perhaps because I am a researcher of history and have participated in lengthy episodes, I can only look back at the political activity of this century to see how the political strength of congress, the political parties, the news media, and the opposition have gradually undermined the bad habits, cunning, and hindrances that blocked the development of Venezuelan society for almost two centuries.

This is a society on the move because it has the watchfulness of democracy through the parliament, through the constant denunciations and complaints by the media. It is preferable to have exaggerations than silence.

Venezuelan democracy is the fruit of a painful experience because what was attained in the end was what successive generations since the 19th century and until the sixties of this century wanted to have, to live with liberty and dignity.

Messrs. Senators and Deputies, you will start legislative sessions at a very difficult time in national life, because the threats facing the country are not traditional conspiracies or attempts to frustrate the process but problems such as the country's fiscal situation.

To fulfill the mandate of the Congress of the Special Powers Law, I, together with the Council of Minister and with the attendance of the most renown lawyers of the country, assumed the responsibility of promulgating the laws that the Congress pointed out to me, including tax laws, because it is necessary to say that in light of the demands of development, social demands, the state's commitments, the income from petroleum today is not capable, as it was in the recent past, of fulfilling those demands. Those demands are now on the government's table.

Tax collection is necessary. It will not be done through the taxes we promulgated with the Special Powers Law but, as one of the new parliament's immediate tasks, it must undertake a study of the fiscal paths that would allow the state to immediately tend to the problems, its own administrative problems as well as the social problems that have been pointed out; the problems related to the salaries and the cost of living.

On the other hand, it is indispensable—I confirmed this need in its real dimensions—to deal with the social problem, the poverty problem, because there can be no perfect political democracy if the wood worm of social disaster, which is created by poverty, is at the base of that democracy. As far as I am concerned, this has been an extraordinary watch tower, an observatory, as well as an information bureau. This is the case because just as I was able to establish a dialogue here with the political parties, I have also been able to meet with the economic sectors, other sectors of the population and other social sectors that allowed me to have a good idea of the Venezuelan social crisis.

The best way to reaffirm democracy, ensure that it can extend to the next century and ensure sustained growth is by finding solutions to the fiscal, social, and poverty problems in Venezuela. I truthfully say.... [pauses] I am aware that it is inappropriate to use certain words especially during addresses such as this one, but I am going to do it anyway because I am addressing persons who were my parliamentary companions for so many years. I want to say that I am ending my term quite content. I am content because I have been able to witness the arrival here at the Sol del Peru Room, of those legitimate representatives of the new political and national country that you represent. This means that Venezuelan democracy has been able to pass through a dark tunnel which opened the way to all sorts of sneak attacks, and every dishonest conduct imaginable aimed at preventing the country from progressing.

Your presence here on this 23 January 1994 is evidence of democracy's strength. Your presence here and the incorporation of the new political organizations, the presence of new parliamentarians and the parliamentary youths, is the best evidence of a new year. Venezuela's destiny is in your hands because, as has already been said by the presidents of the great commissions, we have arrived at a moment of understanding. I was telling the president-elect that when he is preparing to announce his programs, he should first ensure a national agreement. It is indispensable that we reach a national agreement in Venezuela. Problems are so serious and there is so little time, that truce and understanding are indispensable.

It is not a matter of distributing public posts, ministries or embassies. That makes no sense whatsoever. I am referring to an agreement about the country's fundamental problems, the solution of which can wait no longer. The voice of every sector must be heard. As legitimate representatives of the country's regions and opinions, the national agreement must find in each of you its champions and guarantors.

In concluding this address, I would like to deeply thank Senator Montilla for his generous words and offer that I will be able to return as always, as if it were my home. Thank you. Good evening.

Transportation Strike in 11 States Slated for 25 Jan

PA2501023094 Caracas EL NACIONAL in Spanish 24 Jan 94 p D-7

[Text] Barquesimeto—Approximately 80,000 transportation workers in 11 states will initiate an indefinite transportation strike tomorrow on city and inter-city routes to protest the government's delay in resolving the problems they have been facing for so long.

Erik Zuleta, general secretary of the Lara Automotive Union, reported that at the meeting held by the Bloc of Transportation Unions of the Central and Central-Eastern States, it was agreed to initiate the strike as of Tuesday. This move will leave the following states without public transportation along city and inter-city routes: Tachira, Merida, Trujillo, Falcon, Zulia, Barinas, Portuguesa, Yaracuy, Apure, Cojedes, and Lara, as well as part of Carabobo.

Zuleta said the transportation strike will hit the nation's central area, the central-western region, the Andes, and the western flatlands. The strike will be staged indefinitely until the Transportation and Communications Ministry responds to a document turned over by Fedetransporte [expansion unknown] in October in which the problems of more than 80,000 transportation sector workers are spelled out. The demands include an increase in the minimum wage, the elimination of the VAT [value-added tax], and that the state absorb the cost of the student tariff. Zuleta indicated that the transportation workers are not willing to continue subsidizing this service that should be assumed by the government.

In addition, the secretary general of the Lara Automotive Union said that one of the main points for resolving the tariff problem is the need for the government to establish official tariffs for urban, suburban, metropolitan, and countryside transportation. The decision made by the Bloc of Transportation Unions has already been made. The strike will be initiated on Tuesday for an indefinite period until the bloc receives a satisfactory reply from the government. The workers have been waiting for this reply for three months.

Labor Minister Announces New Job Safety Office

PA2501133994 Caracas Venezolana de Television Network in Spanish 1550 GMT 24 Jan 94

[From "The News" newscast]

[Text] Labor Minister Luis Horacio Vivas Pena announced the opening of the National Occupational Welfare, Health, and Safety Institute [Instituto Nacional de Prevision, Salud, y Seguridad Laboral] at Miraflores Palace today. This organization is entrusted with the responsibility of watching over the workers' physical and mental environments.

[Begin Vivas recording] To further this objective, the law includes the establishment of two large organizations. One is the National Council and the other is the National Occupational Welfare, Health, and Safety Institute. The latter is the one that was established today. We inaugurated all its members, and they will begin advising the Executive Branch and union and business organizations on how to handle safety problems in the work place. [end recording]

Roundup of Economic Developments Through 25 Jan

PA2501212494

[Editorial Report] The following is a compilation of reports on Venezuelan economic developments monitored through 25 January. Source is cited in parentheses following each item:

Lagoven, a subsidiary of Petroven, announced that output at the Bachaquero Sur-Oeste oil field increased to 3,100 barrels per day after four new wells were opened in the Lake Maracaibo area, Zulia Department. The Lagoven engineering department disclosed that the new wells had increased production by 2,300 barrels per day in 1993. In 1992, Lagoven discovered crude oil that rated 45 API, which in its test phase incorporated 18 million barrels of reserve petroleum. The company intends to drill seven new wells this year. (Caracas EL GLOBO in Spanish 23 Jan 94 p 11)

Petroven announced a $0.50-per barrel increase in export crude as well as other products, thus raising the price of export crude to $12.20 per barrel. Petroven management explained that the price increase was due to an increase in demand brought about by colder weather

in the United States and Europe. (Caracas EL NACIONAL in Spanish 18 Jan 94 p E-5)

The Finance Ministry Public Finances Department reported that Venezuela canceled $2.685 billion in foreign debt service during fiscal year 1993. Of the total amount paid as part of the country's foreign debt services, $2.11130 billion, or 78.62 percent, corresponds to unstructured debt, while $1.05868 billion, or 39.42 percent, corresponds to restructured debt. The report also discloses that capital payments totalled $1.176 billion, while interest payments amounted to $1.508 billion. Foreign debt balances during 1993 totaled $27.296 billion as opposed to $27.08290 billion during 1992. (Caracas EL GLOBO in Spanish 17 Jan 94 p 13)

Lagoven announced that crude oil and by-product exports increased to 797,000 barrels per day in 1993. According to Daniel Ramirez, manager of Lagoven Commerce and Supply Department, the company was able to increase its exports by 37,000 barrels per day compared to 1992 exports. On the other hand, export revenues fell during 1993 due to excess supply as a result of OPEC and North Sea overproduction and greater than expected exports to Russia. (Hamburg DPA in Spanish 0029 GMT 18 Jan 94)

* Results of Congressional Elections Analyzed

94CA0169A Caracas EL DIARIO DE CARACAS in Spanish 9 Dec 93 p 28

[Text] The first hint of the political cataclysm brought on by these elections comes from an examination of the accompanying table. It highlights the differences between the 1989-94 legislature and the one that will sit from 1994 to 1999. Although a few details remain to be worked out concerning proportional representation and the inclusion of other minigroups or personalities, the character of the new congress can now be discerned. A reader offended by the way the table treats one group or another may safely change some names. This, it seems to me, will do little harm since, from a structural standpoint, the results will remain the same. The congress will still be made up of four major blocks. The largest will hold 30 percent of the seats and the others around 20 percent each.

This means that for the time being it will take an agreement among at least three blocks to get a quorum in the Chamber of Deputies. The MAS [Movement Toward Socialism] block becomes decisive. To gain a quorum or develop any sort of legislative program, the other two coalitions will have to court MAS and win it over. This situation resembles the previous session in both the Chamber and the Senate with one very important exception. Before, only one group needed the socialists, and the socialists, for their part, were in competition with New Democratic Generation [NGD]. In practice this resulted in a dominant coalition made up of AD and the group led by Wladimir Gessen, who has now retired to the practice of psychology. For its part, COPEI's [Social Christian Party] alliance with MAS could not proceed on its own. COPEI had to seek more support elsewhere, and help was hard to come by. This meant the congress tended to follow the lead of AD with support from NGD.

By contrast, in the new Senate, if the two largest groups act as a block, they will not have to look to a third group for support. If this happens, then the block composed of the next two largest groups will be obliged to seek support from a third group. In addition, as the table shows, a three-way accord among Convergence, Causa R, and MAS will not produce a majority. It is possible to speculate about other combinations, too, but the point remains that agreements will be hard to reach and maintaining a smooth flow of legislative business in the new session will not be easy.

This outlook, although it may seem a bit alarming, is also rather static. We are assuming there will be no breaking of ranks within the parties that have won seats. However, there are reasons to believe this is not very likely. Take COPEI, for example. It will be under pressure from Convergence, and some of its followers may decide to leave the fold rather than oppose a "social christian" government headed by the founder of their own party. However, this is a two-way street. In the long run, COPEI could pick up defectors from Convergence as some lawmakers grow disenchanted with the government or find other reasons to shift allegiances. Causa R has undergone explosive growth, and it remains to be seen if new members assimilate and toe the line. Experience indicates that this sort of movement that sweeps into existence with no clear ideology is prone to division. Given the likelihood of a fluid situation, the party with the most to gain is clearly AD since it is less susceptible to erosion either from within or without. Stability gives AD lots of resources and plenty of bargaining chips.

But that is not all. A new factor that must be considered is that half the members of the new Chamber represent single-member districts, and this poses a threat to parliamentary cohesion. Representatives of single-member districts regard themselves as first-class lawmakers who won office on their own merits and by forging personal ties to those who elected them. This gives them a great deal of liberty in the face of pressure to toe the party line.

All these factors presage a Congress that is highly unpredictable and hard to rule. Paradoxically, however, this could offer a way out of some of the problems of governing and legislative relations that are bound to arise in the coming year. Despite the prospect of some ugly spectacles, there is reason to hope that defection, restructuring, and realignment will combine to produce a pro-government alliance or an opposition open to constructive agreement on certain basic issues. There is, however, another scenario to be considered. The president-elect has reserves of prestige, ability, and tenacity that transcend the election results. Intensive use of this political capital could put Congress on the defensive in the eyes of public opinion and force the creation of blocks and coalitions that seem unimaginable at present.

Or the president could use his political capital to promote constitutional reforms and press for the innovations of which he seems fondest. These include referendums and the possibility of being able to dissolve legislatures. Changes such as these would alter completely the picture painted here. For a task of such magnitude, the first months of the new administration will be decisive.

For any of these developments to take place, there will have to be an arduous process of negotiations of all sorts. The costs of these transactions will, as the economists say, be enormous. It would be nice if the president had at his side someone like Richelieu to keep him from being consumed by such an engrossing task. The president badly needs someone who would let him concentrate on problem-solving and substantive matters of policy. However, he has no such partner anywhere in sight.

Chamber of Deputies

Party	1989-94	1994-99
AD	97(48.3%)	44(23.%)
COPEI	67(33.3%)	49(25.9%)
MAS	18(9%)	14(7.1%)
Convergence	0	43(22.8%)
Causa R	0	14(7.4%)
Others	19(9.5%)	0
Total	201	189

Senate

AD	23(48%)	13(27.7%)
COPEI	20(41.8%)	12(25.5%)
MAS	3(6.3%)	3(6.4%)
Convergence	0	11(23.4%)
Causa R	0	8(17%)
Other	2(4.17%)	0
Total	48	47

* Rios Returns as CTV President

94SM0169B Caracas EL NACIONAL in Spanish
9 Dec 93 p E1

[Article by Rosita Regalado]

[Text] Antonio Rios was ready to modernize upon returning to his job as CTV [Venezuelan Workers Confederation] president. He was prepared to take part in a great debate with business aimed at solving the problem of retroactive entitlements. This is the foundation for the national consensus urged by President-elect Rafael Caldera. In exchange, Rios promises the country an end to labor and social strife.

Yesterday morning the executive committee room at CTV headquarters was the scene of an emotional event. Angel Zerpa Mirabal, the confederation's acting president, handed over his post to Antonio Rios, the man who served 14 months in jail on an influence peddling conviction. Upon his arrival, Rio got a warm reception from fellow committee members and others close to the Venezuelan labor movement. The one exception was Carlos Magdaleno, the executive committee's foremost member. Holding a copy of the body's statutes, he insisted that Rios could not assume its presidency. As a sign of protest, Magdaleno walked out of the press conference given by Rios.

The labor leader reiterated what he said to his labor colleagues minutes earlier. He repeated his belief that he was the victim of a national and international conspiracy to weaken the CTV. He denied that the attack could have been aimed at him personally because he had committed no offense.

"Since the case remains open and my prosecutors, rather than act on good faith, have conducted themselves as accusers, I will continue to demonstrate that I have committed no offense. There are many facts that deserve prompt prosecutorial attention. They include the disclosures of Dr. Esperanza Martino concerning the three financial groups that embezzled over a billion bolivars without a single arrest.

"Today," Rios said, "I assume my duties, not with any sense of arrogance, but in the same spirit of service and teamwork that I have always had when seeking to improve the plight of labor. Venezuela is in a period that demands commitment and responsibility from the CTV. It must be ready to talk with the president-elect, his administration, and all other sectors about the accord that will show the way though the serious crisis now afflicting the country. I am convinced of the need for a broad national agreement on how to overcome these difficulties."

Rios also emphasized his belief that labor has a pressing need for modernization in order to meet workers' current needs. These needs are different from those of the past, he said, and they require reforms that give labor the power to negotiate new working conditions.

"The time has come to warn public employees that they are in danger of falling victim to the sort of crime that I have been accused of. This is why the best that can come of what happened to me is for solidarity to become synonymous with the Venezuelan labor movement. I must tell you of my reflections during my 14 months in prison. I submit that the CTV and all unions must become independent of political parties and their economic resources without delay. This is the way to eliminate once and for all any reliance on partisan politics in the making of decisions that are strictly labor-related."

In handing over the CTV presidency, Angel Zerpa Mirabal noted that the International Labor Organization sees the Rios case as a clear human rights violation and will take up the matter at its December meeting.

[Regalado] Would you be willing to discuss retroactivity and lower demands for wage hikes as part of a national accord while the country solves its fiscal deficit?

[Rios] That is possible and necessary, but it must be done as part of a broad agreement with both wages and prices on the same table. It is not fair to freeze wages and let prices go free. The need is for a broad agreement covering an ample basket of goods and agreed-upon wages. This gives wages room to move if prices rise so long as the country remains in crisis. Willpower on the part of government and business is the key.

[Regalado] What do you think of the position MAS [Movement Toward Socialism] has taken on the executive committee against your taking over the CTV presidency?

[Rios] I have no knowledge of this. I would ask them to modify their position since everyone knows I am innocent. I would refer them to Eloy Torres, who is sure of my innocence.

[Regalado] Would the national accord include elimination of retroactive entitlements?

[Rios] I have always said that laws are made to be improved through revision except in the area of social entitlements. Talk of their elimination came up when I was under attack, and I took it as a maneuver against me. But I still regard the entitlement law as no different from others that are susceptible to modification. This is something that can be debated. The fact is that entitlements are all workers have. This is why there is so much resistance to changing them.

But I do understand that modifications are necessary because today retroactivity is a drain on public and private resources that could lead to insolvency. Big business has something set aside for such a contingency. This is what makes modification necessary. But it cannot be just a way to meet needs or solve problems for business. It must also improve the lot of workers. I am sure my colleagues on the CTV executive committee would be open to discussion.

* Extent of Tax Evasion Detailed

94SM0169C Caracas EL UNIVERSAL in Spanish
12 Dec 93 p 1 Section 2

[Article by Alfredo Carquez Saavedra]

[Text] Only 5 percent of Venezuela's corporations pay what they really owe in income taxes.

This is because most companies declare losses every year. If they admit to making money, they report earnings in the bracket with a top rate of 20 percent.

This profile, which better resembles a nation in Africa, is unreal. In Venezuela, it is simply a matter of not paying taxes because of loopholes in the law and because the agency that does the collecting has also fallen victim to the crisis.

These are the conclusions of Gustavo Garcia, who teaches at the Institute of Higher Administrative Studies (IESA). Garcia recently completed an investigation of the Venezuelan tax system for the World Bank.

"Corporations pose a very serious problem," he said. "Tax evasion rates are extremely high. Some 23 percent of the businesses that file returns claim losses. This is happening in a business world of some 250,000 corporate entities."

"In addition, almost 60 percent report earnings of between one and 500,000 bolivars. In all, 83 percent of the businesses that file returns are reporting either losses or earnings of under 500,000 bolivars a year. A scant 4.8 percent claim annual earnings of between a million and two million bolivars."

Garcia noted that the latest version of the income tax dates from 1991. Under 1991 rules, the rate for businesses that earn under two million bolivars is 20 percent, not the maximum rate of 30 percent.

"And if you count how many claim profits of between one bolivar and two million bolivars," he said, "it turns out that 73 percent of the firms filing returns pay at the 20 percent rate.

[Carquez] Does this mean that only 5 percent of corporations are paying what they really owe?

[Garcia] Precisely. This is the 5 percent that reports earnings of over 2 million bolivars.

[Carquez] But that is unreal. It makes Venezuela look like some country in Africa.

[Garcia] If it were true, the nation would be bankrupt. The average corporation pays 281,343 bolivars in income tax, a figure comparable to the most backwards countries in Africa.

This comes to $3,517 at the 1992 exchange rate. If company earnings average this little for a whole year, then they are all broke. In constant 1984 prices, it works out to 29,826 bolivars, which at that year's exchange rate is $2,983. However, there are also companies that pay high taxes due to the political and economic fallout that comes from looking like tax dodgers.

This shows that the margin for avoiding and eluding taxes is enormous. Many taxpayers do not just break the law. They also take advantage of all its shortcomings to lower their tax burden.

[Carquez] What must be done about taxes?

[Garcia] Except for oil companies, what you see in the Venezuelan tax system is a persistent drop in collections

from both individuals and corporations since 1986. This reflects the extremely high rate of tax evasion in Venezuela.

Evasion slashes potential revenues from corporate taxes by about two thirds. The rate is lower for individuals, but figuring out how much lower is far more complicated.

The reasons Garcia gives for tax evasion include: weak laws; poor administration; and limitations in the tax code itself. These, he said, "have been building up over time and got even worse during the latest overhaul."

Garcia called the value added tax and the corporate assets tax fundamental to the modernization process. But he warned that major shortcomings remain. They make tax collection more difficult because the political will is missing to beef up the agencies that run the Venezuelan tax system.

To make up for lost income tax collections, the government has resorted to other taxes, and this has led to huge economic distortions.

"With income tax revenues on the slide, payroll taxes have gone up significantly. This partly explains the erosion of real wages in Venezuela and social unrest. Moreover," Garcia said, "the taxes have not been offset by improvements in the services for which they were collected."

Payroll taxes have gone up even faster then the rate of inflation, he noted. The 1989 cap of 3,000 bolivars on social security deductions first climbed to 15,000 and last year reached 45,000.

"And even though tax hikes were necessary," he said, "the problem is that payroll taxes were the only ones that rose.

"The problem is that there is a direct tax on work. This combined with the system of social benefits makes jobs more expensive in Venezuela. So companies tend not to raise wages because it also raises their liabilities. Every increase triggers a jump of 18 percent in the payroll tax."

Adding payroll and income taxes together shows how much individuals are paying. "Only those with incomes above 2,000,500 bolivars a year pay taxes comparable to the deductions from the wages of workers making less than 45,000 bolivars a month.

"Instead of direct taxes on those with higher earnings, they are imposing more direct taxes on workers. The Venezuelan tax system has strongly contributed to lower wages by overtaxing work while losing its ability to collect from individuals."

Once the value added tax and the tax on corporate assets are approved, Garcia expects they will help ease the tax situation in Venezuela. That will leave the income tax in need of three major reforms.

Drastic measures are needed to eliminate exemptions, such as the one for agriculture, that are still on the books. Slashes are also needed in the deductions allowed as investment incentives and in many personal tax deductions.

When the income tax reform took effect, he recalled, the number of individual taxpayers dropped from 1.3 million in 1991 to only 350,000 in 1992.

"We tax 1.75 percent of a population of 20 million and 5.4 percent of the work force," he pointed out.

Garcia thinks the cap on payroll taxes must go. He wants this done in order to benefit workers, not companies, and he wants tax delinquency to be punished.

"The problem here is that the only sanction with a jail term is the one against tax collectors who keep the money. It is curious that in Venezuela violations of the tax laws are not regarded as crimes," he said.

Likewise, he added, the agency that collects the taxes has to be fully autonomous. It must be autonomous administratively, and it must have its own budget. The way to achieve this is to give the agency a budget equal to a percentage of "between 2 and 3 percent" of revenues from nonpetroleum taxes.

* New Zulia Governor on Situation in State

94SM0170A Caracas EL DIARIO DE CARACAS in Spanish 13 Dec 93 p 32

[Interview with Zulia State Governor Lolita Aniyar by Felipe Saldivia; place and date not given]

[Text] [Saldivia] You had not planned to devote yourself to politics, but you now find yourself the governor-elect. Was all of this an accident?

[Aniyar] Yes, these are the pitfalls of life. It was not in my plans for it to end this way. I did indeed engage in politics when I was very young. At the end of the dictatorship, I served for three years in the Legislative Assembly of the State of Zulia, but this was so many years ago that, practically speaking, it is no longer a part of my life—just a memory. I have devoted all of my time to the university. Almost without realizing it, I found myself involved in the world of politics, because if one feels one is in direct contact with the problems of the country, as one should be, the time comes when one cannot abstain from setting his hand to the possible solution of those problems. And one day, I realized that, almost without knowing how, I had accepted the government candidacy, and now I find myself the governor-elect. All of these things continue to surprise me, because in my political life, I have always been a spectator. I watched myself and what was happening to me as if I were observing it all from the outside.

[Saldivia] You still do not see from within?

[Aniyar] I know that I am on the inside, but I have a strange ability to see myself from the outside.

[Saldivia] And how do you see yourself?

[Aniyar] As an individual attempting to battle for the things in which she believes, in a political world in which almost no one believes in these things. The proof that this is so is that despite the fact that there have been very clear victories in these elections, and the people have indicated that they still see a potential in democracy, I am currently witnessing actions by the traditional old politicians who do not know how to lose, and who are trying to muddy a process that was clear and honest. And thus one wonders if there are still participants in this old political story who are finding it hard to accept defeat, who are clinging to the old procedures, and who do not see what is happening in the country.

[Saldivia] What is happening in Zulia?

[Aniyar] The same thing that is happening all over the country. There is a great sense of weariness with the corruption, the omnipotence, and the imported macroeconomic schemes that have nothing to do with the reality here, as well as rage at the total crisis.

[Saldivia] Why did the COPEI [Social Christian Party] lose, while a year ago, it won yet again? Was Oswaldo Alvarez Paz simply the winner?

[Aniyar] Zulia is a state that has always pursued a search for alternative leaderships, which were not always available to it. An opportunity came when Luis Homez ran as a candidate for government office, but it died at the end of the electoral campaign. From that time on, no alternative leadership was available until mine emerged.

[Saldivia] Who was the last MAS [Movement Toward Socialism] candidate?

[Aniyar] Juvencio Pulgar, of course, together with Oswaldo Alvarez Paz today. And I have the impression that he won the votes that Oswaldo Alvarez Paz still had away from him.

[Saldivia] What are the specific problems pertaining to your election today?

[Aniyar] The election results have been recognized by all the parties except the COPEI. The obstacle is the fact that Leonardo Ferrer does not want to admit he lost and came in third. He went to the CSE [Supreme Electoral Council] to demand that it impugn 400 election certificates. This is very funny, because those who are challenging these documents are alleging electoral crimes committed by people in their own party. It was they who were the presidents and secretaries of the election boards—those who doubtless gave the orders to affix one more signature, or one less seal. This plot was organized well in advance, because they knew four months ago when I entered the contest that I was leading in the polls. Do you want me to tell you the truth? What is happening is that they are trying to put matters in order before I take government office. There is great concern because I have said that I am going to ask for an audit. I have had no input in the 1994 budget, which will cover a half of my term of office. It is made up of current and payroll expenditures, with a minimum amount for investment—and that, by the way, is being seriously threatened. This is very serious, because if I cannot express my views about the budget that is going to govern my administration, this will prevent me from resolving any of the problems of the state. They are working to ruin my administration. What we are seeing is a delaying maneuver.

[Saldivia] What do you mean by the phrase "putting matters in order"? Do you believe, then, that Oswaldo Alvarez Paz has embarked upon some peculiar manipulation process?

[Aniyar] Yes. This government in Zulia is known as the 10-percent government. It turned into the 20-percent government as the campaign approached, thanks to the tribute exacted from the public works contractors. Incidentally, one of the elements in my electoral campaign, which was of course oriented toward explaining that it is possible to govern without corruption, was precisely a specific offer to resolve the problem of harassment and commissions on public projects. That, among other things. The payrolls here have been artificially inflated. The names of individuals who are not experts in their sectors have been added. For example, there are individuals on the orchestra payroll who are not musicians. They have just nervously sworn in more than 500 individuals who were allegedly hired some time ago. It must be presumed that the accounting processes were backdated. Officials are giving jobs to their friends, to their little party comrades. This is extremely serious. This phenomenon can be seen in other state governments as well, and it is very difficult to change because of this evil tradition of inflating the payrolls. Each governor brings in his own team and then, when he departs, leaves it behind.

[Saldivia] And with what team will you be working? That left behind by Oswaldo Alvarez Paz?

[Aniyar] With the decent team Oswaldo left behind and staffers other governors left in place. With the exception of the top segment of the payroll, which will be made up of my trusted advisers. But I will not allow anyone to be included on the official payroll who has been put there fraudulently, or who is not actually working.

[Saldivia] Do you plan to maintain some distance from the MAS in your work in the government, as Governor Tablante did?

[Aniyar] No, I have a staff already selected, and it is basically independent. There is one MAS member and one from the Convergence, while the others are independents. They are all people whose orientation in politics is similar to mine and to that of the MAS. Because it must be realized that they all have the same point of view about an alternative in politics. They are all individuals

with a 21st-century mentality. I am an independent, but this does not mean that I will turn my back on the MAS in governing, because it has provided me with good support and an excellent apprenticeship in honesty and political commitment. All I have learned I learned in the MAS faction as a senator. Therefore, the counsel of the MAS continues to be welcomed, but my independence is not to be challenged.

[Saldivia] What mistakes that the MAS governors made do you plan to avoid repeating?

[Aniyar] I do not think there were errors. Each governor has his own way of doing things. I am not like Tablante, but I have seen that he developed a government with very effective social policies that I would like to understand fully so as to use them if they are suitable for Zulia. In the same way, the policies implemented by Andres Velasquez in Bolivar were effective. And I can also learn about some things done in the health sector in the states of Anzoategui and Carabobo, and about what has been done in education in Bolivar and Merida.

[Saldivia] Could it be said that you owe your place in government to Jaime Lusinchi, because of the role you played with regard to the accusations made?

[Aniyar] No, because this is not the only thing I have done in my political life. I did extraordinary work (and I do not feel immodest in saying so) in the health sector when I served as president of the Senate Health Commission for two years. We faced up to the need for a complete package in the health sector, a life-and-death issue. And that is the proper term for it. In this connection, I was able to make contact with the most dramatic reality—the life and death of the individual citizen. I believe that it was this—the possibility of having some impact in this sector—that led me to accept, deep within myself, the candidacy for government office. In addition, I have a long history as a university professor in the state of Zulia, and a 10-year career as a writer for the local daily newspapers. This has created for me a host of invisible friends, as Uslar Pietri has said.

[Saldivia] Are you the moral conscience of Zulia?

[Aniyar] I do not know. That seems a bit of an exaggeration. I am indeed seen as occupying a different position, from the point of view of stating and interpreting matters, and as a result I have succeeded in identifying with many citizens.

[Saldivia] Didn't Alvarez Paz do more good for Zulia than the personally appointed governors?

[Aniyar] Absolutely not.

[Saldivia] Do you mean that the process of direct election is only beginning to serve Zulia now?

[Aniyar] No. The situation in Zulia is very special. I say that Zulia is like a country.

[Saldivia] The people will think you are a separatist.

[Aniyar] Zulia has declared itself an independent republic three times in history.

[Saldivia] And do you advocate this?

[Aniyar] No, but that is what the history of Zulia shows, and the citizens of Zulia have always wanted to be different from the citizens of the rest of the country. Oswaldo discovered that this was an important thing for Zulia, and he greatly encouraged this state feeling. He exploited the sense of loyalty to Zulia, the feeling that Zulia has given everything and received nothing, because the country lives off the production of Zulia, its oil and farm output, while it only receives the same as any other sad state in the country. That is the truth, and at the present time, Zulia is one of the 10 poorest states in Venezuela. Oswaldo speculated with this situation, and said that he would make Zulia "the seat of Venezuela." However, what he did was to make it the poorest place in Venezuela, because the figures now reveal a catastrophic situation. He described himself as the first citizen of Zulia, which was quite offensive to the people of Zulia. He promulgated some ostentatious measures, for example his decree that the history and geography of Zulia would be studied in the schools. This was a plan, by the way, that was never realized. He created a state flag, and in the last electoral campaign, everything was based on the fact that Zulia would have a president. He speculated with this situation, and neglected the concrete real situation being experienced by the Zulian citizen, who saw that everything was catastrophic. The citizen of Zulia is a very emotional individual, and this was the reason for the voting support I had in Zulia.

[Saldivia] Are you planning on an administration of two or five years?

[Aniyar] My hope is for five, to parallel the five years of President Caldera's constitutional mandate. A two-year administration makes no sense, for one can only begin to work in that time. And so I hope that this confidence in me will last, despite the obstacles being placed in my way. I believe that it will last, because the vote of the Zulian citizen is very emotional, and those who voted for me were emotional as well. In fact, there were a number of Oswaldo-Lolita votes. The people do not vote a straight ticket. That has come to an end in Venezuela. There were also Claudio-Lolita and Andres Velasquez-Lolita votes, because Causa R instructed its supporters to vote for me. And, of course, there were many Caldera-Lolita votes.

* MAS Leader Analyzes Election Results

94SM0170B Caracas EL DIARIO DE CARACAS in Spanish 21 Dec 93 p 4

[Editorial by Teodoro Petkoff: "Caldera and the MAS Now"]

[Text] During the electoral campaign, there was an effort to discredit the participation of the MAS [Movement Toward Socialism] in the game by noting the similarities

to the operations, seen so often in Venezuelan politics, carried out by certain political forces that have leaned against the strongest tree solely in the hope of surviving. In this connection, it would be well to remember that the closer relations between the MAS and Caldera began in 1989. It was then that the idea was gaining ground among us that a break between Caldera and his party—barely perceptible at that time—would inevitably mean a significant change in the Venezuelan political-party picture, creating the conditions for the development of a wide breach in the bipartisan wall. This strategic option took on an additional dimension after the events of 4 February, when it became clear that the bar could be set even higher. Caldera's candidacy could serve as the focus of a confluence of forces capable of defeating bipartisanism, rather than simply breaching it. And so then, as of 1990, the country began to see movement toward creating an alliance. There were sporadic and calculated statements by some MAS leaders, as well as Caldera himself, indicating willingness to attend a meeting. There was the noisy presence of Caldera at the MAS convention in Los Caracas in July of 1990 (when the group of leaders gathered there enthusiastically made it clear how far their preferences went, and Caldera made a point of his conviction that an agreement with the MAS would not by any means displease him). And there was even the folkloric detail, in the best sense of the word, of the domino game with Caldera, which said more than 100 articles ever could have.

It is clear, then, that Caldera's victory constituted a political success of no small importance for the MAS—perhaps the greatest in its history, along with the achievement of its own birth. Prejudices, misunderstandings, and a certain leftist inertia had to be overcome both within and outside the MAS to make possible the crystallization of that strategic achievement represented by the perception of the tremendous potential in the "non-COPEI [Social Christian Party]" candidacy of Caldera. But it should be noted that the veteran leader also had to face prejudices, misunderstandings, and a certain conservative inertia in order to facilitate a convergence with the MAS, and then with other lesser forces, without which he knew perfectly well he could not win. In this connection, Caldera's vision of the breadth of the alliance and his courage in maintaining his standards, although he knew that his adversaries would attempt to exploit his alliance with "the communists" to discredit him with his traditional supporters, provide the measure of the courage of this leader and statesman.

In all of his speeches and televised appearances, Caldera took pains to emphasize the presence of each of his supporters. He began with the MAS, and always ended with a respectful and very courageous reference to the PCV [Communist Party of Venezuela]. This provided a lesson not only for a country that urgently needed to put sectarianism and subordinate quarrels behind it, but also, most certainly, for those who were not clear in their own minds that his victory would only be possible if the votes of every little faction, however modest, were added together. The result could not have spoken more eloquently. Of all the votes for Caldera, 35 percent were "orange" and nine percent represented the other groups and parties in the alliance. Without that 44 percent of the total, Caldera could not have become president. The veteran leader made no mistake, then, when, despite the efforts made to ridicule his undertaking, he tried to avoid excluding anyone, however unimportant he might be.

The MAS participated in this alliance without imposing any type of bureaucratic conditions, so traditional in the rigid structure of Venezuelan politics. We drafted a strategy and we implemented it. The important thing was to triumph over bipartisanship, to release the country from the paralyzing AD [Democratic Action]-COPEI straitjacket, to adapt the political structure, and to encourage the implementation of policies different from those that at the end of a 35-year period had plunged the country into its deepest crisis. The measure of our success was Caldera's victory, and not the size of a certain bureaucratic quota to which we might have aspired on the basis of the political traditions imposed by the AD and the COPEI. In fact, the MAS does not have the slightest intention of involving itself in those ignoble bureaucratic tangles that have contributed so much to discrediting the Venezuelan political system.

However, that having been said, it is not hard to understand that the MAS presence in the government is necessary. It is required in order to face up to the tremendous demand for political change expressed by the combined votes of the Caldera alliance and La Causa R. The country voted against the AD and the COPEI. The country gave new protagonists a mandate. The country would lose confidence in a government that failed to express, in a realistic and cautious measure, the collective desire that other people assume leadership responsibilities. Fortunately, Caldera understands this perfectly, as was the case with the alliance to the creation of which he contributed in order to win. The futile effort to blackmail him with the presence of the MAS in the alliance, which, had it been successful, would have led to his defeat, will not sit well now either. Where the MAS is concerned, just as it knew how and was able to participate in the campaign without trying to steal the show, aware that in the final analysis, it was certainly a relatively weak faction, it will also know how and will be able to make its presence felt in the government without creating unnecessary vulnerabilities. As for the rest, God will provide.

* Deputy on Crime Along Colombian Border

94SM0170C Caracas EL NACIONAL in Spanish 24 Dec 93 p D15

[Article by Alonso Zambrano]

[Text] Maracaibo—It is clear to Angel Vera, the president of the Chamber of Deputies Defense Commission subcommission on frontiers, that in the frontier zone located on the right bank of the Machiques-Colon, in the

state of Zulia, which includes the southern part of the lake, there is a perverse alliance of drug traffickers, Colombian guerrillas, and common criminals.

He has warned that this phenomenon has been on the increase recently as a result of two separate circumstances. They are the powerlessness of the Venezuelan government to deal with the lack of security on the one hand, and on the second, the indifference of the Colombian government.

In view of this situation, he believes not only that the Venezuelan Government is incapable of resolving this problem, but that there is also a need for the cooperation of the Colombian Government for the purpose of developing a coordinated plan for military and police intelligence strategy in these areas, along with a socioeconomic program. This is because one of the reasons irregular forces have penetrated the zone and the peasant population living there, including the Yukpa and Bari Indians, is the inhospitable conditions to be found in that environment. This is true in the sectors of health care, roadways, and disease. The Venezuelan children there are even attending classes outdoors, under the trees. They are being instructed in the history of Colombia and are singing its national anthem.

"According to information we in the Defense Commission have obtained," Vera said, "there are 50,000 residents who have no country in this frontier area. They are the children of Venezuelans and undocumented Colombians who were born in a no-man's-land where they are recognized neither as Colombians nor Venezuelans. They have become a potential army that could in the short run plunge the peace and labor and productive tranquillity in this region into chaos.

"It is for this reason that the kidnappings that previously occurred on the ranches and deep in the mountain areas are now occurring only a few kilometers from urban centers. And the public can be sure that within a very short time, such kidnappings will be happening in the cities as well, with politicians, industrialists, bankers, and other leading personalities as their targets," he warned.

For these reasons, he believes that Venezuela should seriously review its process of integration with Colombia, because in connection with the binational agreements, and in the specific matter of the stolen cars, Colombia has in many cases failed to honor its commitment to return assets to the Venezuelan Government.

Vera warned that in the specific case of the kidnappings in this frontier area, there is one factor that is a cause of great concern. He painted the following picture for us. "In the course of the peace talks between the government and the Colombian guerrillas in Bogota, there was agreement on certain zones to be spared—areas in which the irregular forces and the authorities agreed that the army will not engage in action.

"One of these 'neutral' zones," he said, "is on the right bank of the Machiques-Colon. And, naturally, as a result of these negotiations, the Colombian Government is not interested in reactivating its attacks on the guerrilla forces there."

According to Deputy Angel Vera, the interests of Bogota will be served, from the strategic and tactical points of view, if the problem in this frontier area continues, instead of having it prevail in the urban zones of its main cities.

In the opinion of this parliamentarian, integration with Colombia, seen from this realistic approach, has become a matter of the export of an instability problem to Venezuela.

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